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ABSTRACT

Recent redesigning of manpower programs reflects the shift toward the job and income approach to fighting poverty. Because money spent to provide jobs will ultimately reduce welfare costs, practically all manpower programs have undergone or will undergo significant redesign. This report was prepared to supply community development personnel and the general public with detailed information about these developments and to provide some analysis of their impact. Major emphasis is placed on the proposed Manpower Training Act of 1969, both because of its impact and because it is typical of present administration policy. This proposed act replaces previous legislation, such as the Manpower Development and Training Act of 1962. Other programs under consideration are the Neighborhood Youth Corps, Public Service Careers, and Concentrated Employment Programs. (BH)

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AN ANALYSIS AND SUMMARY OF:

CURRENT MANPOWER TRENDS & DIRECTIONS

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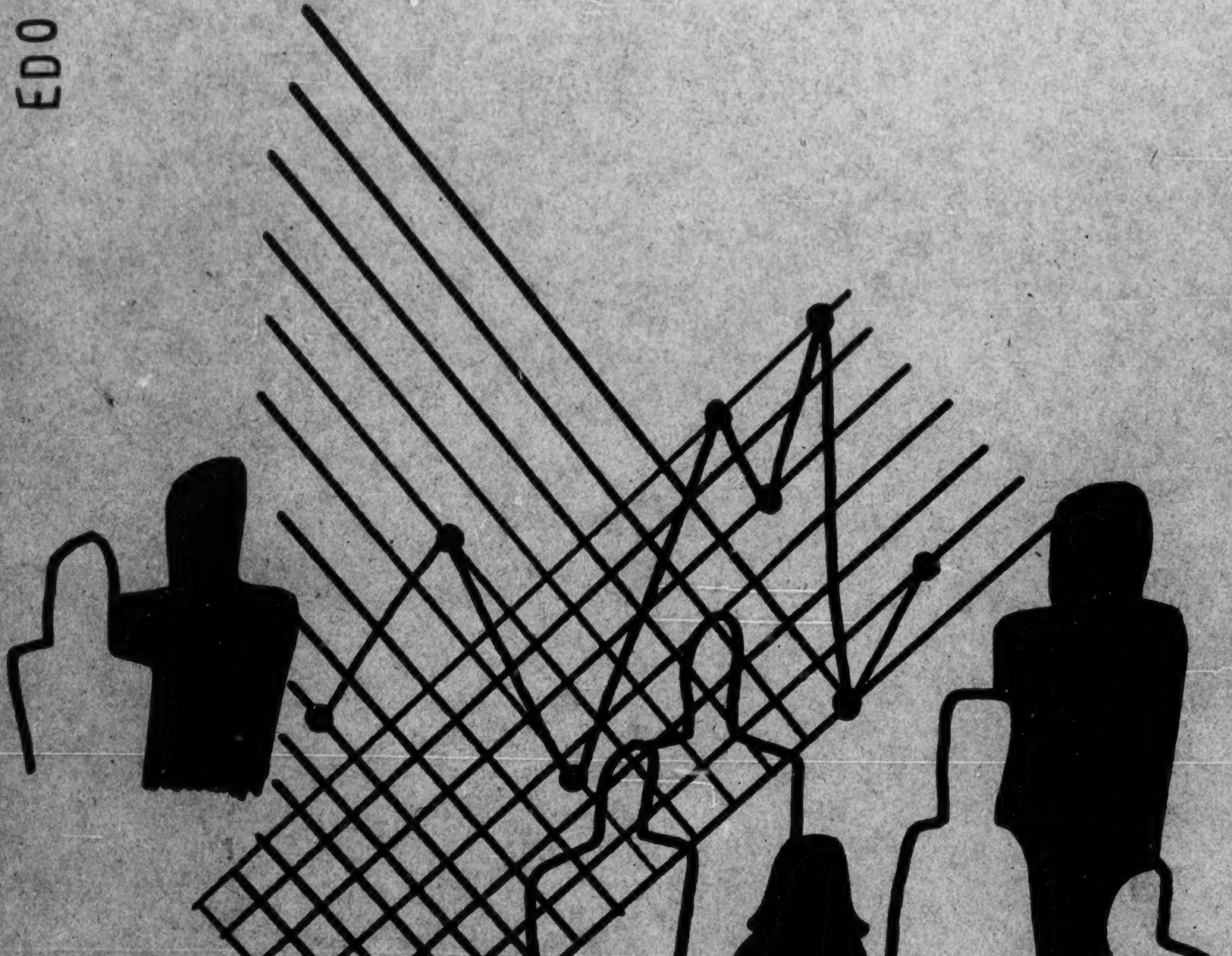

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ANALYSIS AND SUMMARY

OF

CURRENT MANPOWER TRENDS

AND POLICIES

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Second Edition
November, 1969

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INTRODUCTION

Manpower policy and the administrative guidelines for manpower programs have been the subject of intensive action by the new Administration and this pattern is likely to continue. The redesign of manpower programs is being carried out to reflect the shift in anti-poverty strategy towards the job and income approach, to shore up the linkage of manpower and welfare programs, and to respond to the Administration-wide policy of shifting greater responsibility to the states and local governments with particular emphasis on the states.

Practically all manpower programs have undergone or will undergo a significant redesign and all will be affected under manpower legislation advanced by the Administration. This booklet was prepared to supply community development practitioners and the general public with direct information about these developments and to offer some analysis of their impact.

Particular emphasis is placed on an examination of the proposed Manpower Training Act of 1969 not only because it would have a major impact on manpower programs but also because it reflects policies and attitudes which are being followed by the Department of Labor and the Office of Economic Opportunity in anticipation of the passage of the bill.

NACD welcomes comments and reactions both to the programmatic and legislative material contained in this document as well as to the analysis presented.

MAJOR MANPOWER TRENDS

At least three bills now pending in the Congress propose to change and strengthen existing manpower legislation. H.R. 10908 was introduced by Congressman William Steiger and six other co-sponsors on May 5, 1969. Basically it consolidates manpower authority and delegates major responsibility for the operation of manpower programs to the states under a bloc grant approach. It is understood that Congressman Steiger introduced his legislation in order to establish his own position in this area prior to the formulation of an Administration position as represented in the Comprehensive Manpower Act.

Congressman James O'Hara of Michigan and 20 co-sponsors introduced H.R. 11620 on May 26, 1969. Basically the bill expands the types of available training particularly for upgrading and to respond to technological change, and provides for an expanded effort in the field of public service employment but leaves funding relationships open. The bill apparently intentionally does not deal with the structural issues whereas Rep. Steiger's bill is almost entirely concerned with structural issues. The O'Hara bill has strong backing from labor and other groups.

The Administration bill was one of the three major proposals discussed by President Nixon in his national speech on August 7, 1969. It has been introduced on a "by request" basis in the House(H.R. 13472) and in the Senate (S. 2838). It is unlikely that any of these measures will be brought to legislative fruition during the first session of the 91st Congress but they are likely to be the focus of intensive legislative activity during the second session.

Senator Gaylord Nelson has announced his intention to sponsor legislation providing for expanded programs in the area of public service employment. Nelson, who is Chairman of the Senate Employment, Manpower and Poverty Subcommittee, can be expected to hold some hearings during 1969 on manpower programs in general but probably will not go too deeply into the legislative proposals until 1970. It should be noted that the Administration bill does not assume or request passage until 1970.

It has become apparent, however, that the Department of Labor, OEO, and other executive branch agencies are beginning to operate on the basis of the provisions of the Administration bill in existing programs. For example, the Labor Department is moving ahead at a snail's pace in implementing the Comprehensive Work and Training Program provisions of Title I-B of the Economic Opportunity Act. Under some OEO pressure, the Department plans to move ahead in 50 to 60 areas, with small grants of from $25,000 to $100,000 for the development of comprehensive programs under a prime sponsor. Priority in the selection of these areas for implementation of the CWTP concept will go to urban areas and particularly those in which there is a public community action agency or where the CAA or other manpower vehicle is on a friendly basis with the mayor and thus where the mayor might be expected to designate the CAA as the prime sponsor should the new manpower legislation be enacted.

The new CEP guidelines reflect DOL's policy posture of shifting more responsibility for the operation of manpower services to state employment services. OEO, and particularly Director Rumsfeld, has had relatively little impact on these developments reflecting the particularly weak delegation agreement between OEO and the Department of Labor and an apparent feeling that the Administration position, as expressed in the Comprehensive Manpower Act, is to move OEO out of any major role in manpower programs (for example, the Act abolishes Title I-B).

The Department of Labor is shifting to a "hire now and train later" approach in most of its manpower programs. It is also shifting to direct contracts with employees (both public and private) of disadvantaged persons rather than having a "middle man" such as the CAA organize, manage, and evaluate the program at the local level. The new guidelines for the Public Service Careers program reflect that pattern.

The Department's assumption is that 16 and 17-year-olds will enter the NYC program and that when they become 18 they will move into either the JOBS program (for jobs in the private sector) or the Public Service Careers Program (for jobs in the public sector. The Department of Labor has shied away from any positive support for "government as the employer of last resort" type of programs in favor of encouraging employment in the public and private sectors. By the end of 1969 or early 1970, it is anticipated that the JOBS Program will be expanded to serve, at least in theory, the entire country. The leadership of the JOBS program is being given increasing influence in determining Department of Labor policy.

The Concentrated Employment Program continues to be under redesign with the basic effort to shift operational responsibility from the CEP sponsor to the state employment service. The new redesign is also to allow services to be provided on an individual basis rather than having the individual move through a series of compartments in the training process.

SUMMARY OF FEDERAL-SUPPORTED MANPOWER PROGRAMS, 1969

Program	Agency[1]	Level of Operation Fiscal 1968 (Thousands of Persons)	1969 Appropriation (Millions of $)	Services Provided	Eligibility Criteria	State and Local Program Administrators or Contractors	Allowances
UNITED STATES EMPLOYMENT SERVICE	MA	5,760[2]	341	Recruitment, counseling, testing, placement, employer services and limited labor market research	All workers but the bulk unemployed	State employment service agencies	None
VOCATIONAL EDUCATION	OE	4,861[3]	281	Vocational education	State determined	State vocational education agencies	None in fiscal 1969
VOCATIONAL REHABILITATION	SRS	208[4]	415	Medical and psychiatric assistance, prosthetic devices, skill training, education and other services needed to enhance employability	Physically, mentally or "socially" handicapped	State rehabilitation agencies	Provides $25 per week for an individual with $10 per dependent to a maximum of four; limited to special workshop projects
ADULT BASIC EDUCATION	OE	408	45	Rudimentary education	Over 18 years of age	State education agencies	None
MDTA Institutional	MA OE	125[5]	397	Remedial and skill training; basic education	Mostly unemployed, but some upgrading	Public schools or skill centers and private schools	Adult--$10 above average weekly unemployment benefits in state plus $5 for each of 4 dependents Youth--$20 per week
OJT	MA	140[5]		Subsidies to employers to cover training costs	Same	Employers, state apprenticeship agencies, trade associations, unions, and nonprofit community agencies	None
Experimentation and Demonstration	MA	---[6]	30	Research and wide range of services	Same	Public, nonprofit, or private organizations	Same as institutional
JOB OPPORTUNITIES IN THE BUSINESS SECTOR	MA NAB	12[7]	152	Reimbursement to private employers for extraordinary costs of hiring, training, and retention of disadvantaged workers	Disadvantaged[8]	Local NABs, state employment services, and other public and private organizations and employers	(Regular wages paid to enrollees)
NYC In-School	MA	484[9]	301	Work experience including limited counseling and some education	14-21 years of age, family income below poverty level	Same	$1.25 per hour Maximum 15 hours per week
Out-of School		138[9]			Mostly 16-21	Same	$1.40 to $1.60 an hour Maximum 40 hours per week
NEW CAREERS	MA	4	19	Training and employment as subprofessionals	Disadvantaged adults	Public or nonprofit institutions	Employment at minimum wage
SPECIAL IMPACT	MA	3	10	Investment in low income areas to improve employment opportunities	NA	Public or nonprofit institutions	NA
OPERATION MAINSTREAM	MA	13	41	Work experience, limited counseling, basic education,	Disadvantaged adults (rural area emphasis)	Public or nonprofit institutions	Employment at minimum federal or prevailing

				improve employment opportunities			
OPERATION MAINSTREAM	MA	13	41	Work experience, limited counseling, basic education, and skill training	Disadvantaged adults (rural area emphasis)	Public or nonprofit institutions	Employment at minimum federal or prevailing local wage
CONCENTRATED EMPLOYMENT PROGRAM	MA	16[10/]	74	Delivery system for varied manpower activities in target areas	Community action agencies and state employment services	Community action agencies and state employment services	Dependent on program to which CEP enrollee is assigned
JOB CORPS	JC	65	295	Skill training, conservation work, and basic education	Same as NYC but school dropout	Urban centers--private industry and education institutions Conservation centers--Depts. of Interior and Agriculture and state agencies	$30 to $50 per month plus $50 a month adjustment allowance, half of which can be allotted for family support with matching by Job Corps
WORK EXPERIENCE AND TRAINING	SRS	28	20	Work experience, including limited supportive services and basic education	Public assistance recipients and other needy, including farm families with annual income of less than $1200	Public welfare agencies, nonprofit agencies, and private employers under special waiver	Basic needs as defined by state
WORK INCENTIVE PROGRAM	MA SRS	---	118	Training, employment, and supportive services designed to make welfare recipients self supporting	AFDC recipients	State employment service, welfare agencies, and other public or nonprofit institutions	Regular welfare grant plus up to $30 per month during training
CAP MANPOWER	CAP	NA	22[11/]	Any service enhancing employment and employability of the poor	Income below poverty threshold	Public, nonprofit, or private organizations	Determined by project

1/ See Key to Agency Abbreviations

2/ Non-farm placements

3/ Excludes home economics students, 1967 academic year

4/ Rehabilitated during the year

5/ Enrolled during the year

6/ The wide variety of services precludes estimating an operational level

7/ Participants under Labor Department contracts, calendar 1968

8/ Poor persons who do not have suitable employment and who are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special obstacles to employment

9/ September 1967-August 1968

10/ Persons receiving CEP assistance not included in other programs

11/ Excludes wages paid to indigenous poor

NA--not applicable

Key to Agency Abbreviations

Department of Health, Education and Welfare
OE - Office of Education
SRS - Social and Rehabilitation Service

Department of Labor
MA - Manpower Administration

Office of Economic Opportunity
CAP - Community Action Program
JC - Job Corps

National Alliance of Businessmen--NAB

FROM: Sar A. Levitan and Garth L. Mangum, Federal Training and Work Programs in the Sixties (Ann Arbor, Mich.: The Institute of Labor and Industrial Relations, The University of Michigan, 1969).

MANPOWER LEGISLATION NOW PENDING IN THE CONGRESS

MANPOWER TRAINING ACT OF 1969 (ADMINISTRATION BILL)

General Purposes and Description

The basic purposes and thrusts of the Administration's Manpower Training Act seem to be as follows:

1) An attempt to create a broad Federal legislative authority for manpower programs and training rather than have authority vested in a series of identifiable programs. This would permit the Department to develop programs and project designs on a local or state basis and not be bound to any given programs.

2) To limit or eliminate the use of alternative systems for purveying manpower services in favor of a reform of the employment service. This would seem to indicate movement away from the use of community action agencies and other such groups as major purveyors of manpower services in favor of reformed employment service systems. The Department is also tightening up its controls in state employment service agencies and especially on their services to the disadvantaged as the beginning of reform in that area.

3) The Department is attempting to consolidate all manpower authority within the Federal government (including that existing in HEW as well as OEO) in the Department of Labor.

4) The Department is attempting to shift responsibility for the allocation of manpower funds to the states operating through state planning bodies. Designation of systems for the delivery of manpower services will be made primarily at the state level and at the local level with some involvement of local public officials.

5) The Department envisions the establishment of a "track system" of manpower services in which each person would receive manpower assistance in direct proportion to his needs with greatest attention being focused on the chronically unemployed and underemployed.

Major Provisions of the Manpower Training Act of 1969

Goals:

1) To create a comprehensive manpower service system for the Nation based on a network of state planning and administrative agencies. A single funding and administrative channel from the Department of Labor through the governors will be used for all local programs, except for some experimental and national projects.

2) To provide for a wide range of manpower services to meet the diverse needs of unemployed, underemployed and low-income people.

3) To provide flexibility in the funding of local manpower programs so they can be tailored to local needs.

4) To consolidate manpower programs and services administered by the Department of Labor.

5) Unify administration of manpower services by establishing state and area single prime sponsors who will be responsible for the planning and conduct of all services.

6) Simplify and equalize the present training allowance system.

7) Provide for a National Computerized Job Bank.

8) Facilitate the use of the manpower program as an economic stabilizer by automatically increasing appropriations 10 percent if the national unemployment rate reaches 4½ percent for three consecutive months.

9) Establish an Intergovernmental Advisory Council on Manpower, composed of governors, mayors and other local officials.

10) To codify and consolidate the primary manpower development services presently administered by the Department of Labor, and to establish uniform participant eligibility criteria for these services, eliminating the present separate categorical manpower programs.

11) To delegate, to the maximum feasible extent, responsibility for manpower programs from the Federal Government to state and local authorities, assuring a fair distribution of Federal funds to states and to metropolitan and other areas within states.

12) To require locally initiated manpower planning incorporated into state-wide comprehensive plans for all manpower and related programs, including appropriate elements of welfare and vocational education and rehabilitation programs.

13) To improve and simplify the present training allowance system, and provide for increased allowances.

Decentralized Administration

The problem addressed by this legislation is the need for effective state and local capacity for planning and administering manpower development programs. Such capacities are essential for the development of more effective manpower programs. The specifications for the proposed Act provide a staged delegation of responsibility to states (and through them to local areas) as capacity for planning and administration regarding manpower programs is achieved.

In order to qualify for delegation of maximum authority under the Act, each State would be required to:

1) Establish an "umbrella" manpower development agency which would be recognized as the state prime sponsor and of which the state employment service would be a part. That agency would be responsible for the administration of programs funded through the Comprehensive Manpower Act. In addition, to the maximum extent feasible, it would also be responsible for all other programs in the state designed to assist persons in securing and advancing in suitable employment and to assist employers in meeting their needs for employees. Such programs should include vocational education, vocational rehabilitation, and welfare programs.

2) Establish satisfactory procedures whereby local prime sponsors are recognized through a process of self-determination by appropriate elected heads of governmental bodies of general jurisdiction.

3) Establish comprehensive manpower planning advisory bodies including representatives of appropriate public agencies, employees, employers, and segments of the population to be served. These bodies would assist the umbrella state agency in the development of plans for its operation including the proposed allocation of resources within the state. Comparable advisory bodies also must be established for each community manpower planning area.

4) Prepare annually and submit comprehensive manpower plans, incorporating appropriate area plans. These would be multi-year plans, the initial year of which shall be the proposed programming of expected resources. Such plans would be required to integrate services provided under the Act with those provided under other Federal grant-in-aid statutes, state and local public programs, and, to the maximum extent possible, private activities within the state which are related to manpower programs.

When the above requirements have been met and the plan approved by the Secretary of Labor (the Secretary of Health, Education, and Welfare would also approve those portions of the plan dealing with institutional training and other activities which are now his responsibility) all of the funds apportioned to a state would be turned over to the state umbrella manpower agency for administration in accordance with the program activities and resource allocations for activities under the Act contained in the state plan.

Partial Delegation

In the absence of a state umbrella manpower agency, the governor may designate a "lead agency" responsible for submission of the comprehensive manpower plan. When the plan has been approved at the Federal levels, amounts not to exceed 35 percent of the funds apportioned to the state under the Act shall be granted to the state for programs included in the plan. The remainder of the activities authorized in the plan shall be arranged for directly by the Federal Government through grants or contracts, until such time as a comprehensive state agency is established -- as is presently the case. The lead agency would be required to be the agency responsible for administering all activities authorized under the Act. The scope of the plan which it would be required to submit would be the same as that required of an umbrella agency.

Three-Stage Development of State-Administered Manpower Programs

1) State administration of 25 percent of apportioned funds through a designated "lead agency" and when it has developed an approved comprehensive manpower plan.

2) State administration of 66-2/3 percent of apportioned funds when it

(a) has an approved state plan and is complying with it;
(b) is maintaining a comprehensive manpower agency to operate the unified programs financed by the Act;
(c) has selected local prime sponsors to plan and administer or arrange for the administration of programs in designated areas within the state.

3) Control of 100 percent of the funds when the state meets objective standards of exemplary performance in planning and carrying out its manpower service system.

Apportionment of Funds for State Services

1) 75 percent available each year to the states according to criteria established by the Secretary.

2) 5 percent of appropriated funds available for supplemental apportionments to the states which meet exemplary performance standards, at a rate of $2 Federal for each $1 state funds.

3) 20 percent of appropriated funds will be retained by the Secretary for direct use, as in national projects.

4) The Secretary is required to designate for use in any SMSA or other areas within a state a minimum share of apportioned funds, under a formula which takes into account the number of disadvantaged persons in the area.

State Comprehensive Manpower Agencies

1) Appointed by the governor, unless required to be established by the state legislature.

2) Make-up:

(a) must include the state employment service.
(b) must include the unemployment compensation agency unless specifically exempted by the Secretary of Labor.
(c) must include other state agencies administering programs authorized by this Act; other state agencies administering manpower programs or components not assisted by Federal grants-in-aid.
(d) may include state vocational education and vocational rehabilitation agencies, if state requests.
(e) may include other related agencies (state).

3) Responsibilities:

(a) will consult with state manpower planning council on development of the state comprehensive manpower development plan.
(b) will receive funds under CMA, and the Wagner-Peyser Act.
(c) is responsible for administering, or providing for administration of, manpower programs and services approved as authorized by both the CMA and the Wagner-Peyser Act.
(d) is required (to fullest extent possible) to use services and facilities not financed by the CMA, and available (with or without reimbursement) from other Federal, state and local agencies.
(e) may secure planning grants from the Secretary for maintaining state planning council and area advisory bodies, including staffing.

State Manpower Planning Council

1) Is established by the governor (or pursuant to state law); or may be an existing body designated by the governor. Governor designated the chairman.

2) Make-up:

Shall be broadly representative of the manpower training and employment resources of the state including:

(a) state agencies in any related programs and services -- vocational education, welfare, vocational rehabilitation, apprenticeship, economic opportunity, labor, industrial development, etc.

(b) local public and private nonprofit manpower agencies and programs.
(c) typical client groups, including low-income.
(d) general public, including business, labor and social welfare organizations.

3) Responsibilities:

(a) shall develop the state's comprehensive manpower development plan.
(b) advises governor on utilization of resources.
(c) reviews any other state relevant plans and plans of service which are required to be submitted to the DOL or HEW; makes recommendations to the governor regarding these plans.
(d) will assess the operation of the state and area programs and provide such advice as is appropriate (to these programs). Also, to convey its assessment to the Secretary (DOL), the Secretary of HEW, the governor, and the general public.

Local (Area) Prime Sponsors

1) Are designated by the governor (or governors, if for a bi-state area).

2) A public body, or private agency or organization may be selected as a prime sponsor if agreed upon by units of local government(s) which represent(s) 75 percent of the population in the area; otherwise one of such units of local government shall be selected.

3) Responsibilities:

(a) establishes the area manpower advisory committee.
(b) shall plan, administer, or arrange for the administration, of area programs funded under this Act.

Area Comprehensive Manpower Planning Advisory Body

1) The state is required to see to the establishment of -- and support of -- area (local) comprehensive manpower planning advisory bodies in SMSA's or other urban areas deemed necessary by the Secretary.

2) Prime Sponsor (local) has the responsibility for establishing the area advisory committee.

3) Make-up:

Same interests as on State Manpower Planning Councils

(a) local affiliates of state agencies in any related programs and services
(b) local public and private nonprofit manpower agencies and programs
(c) typical client groups, including low-income
(d) general public including business, labor and social welfare organizations and mayors or their representatives.

4) Responsibilities:

(a) will select own chairman in accordance with DOL guidelines
(b) assists and advises prime sponsor on development of the area manpower plan.
(c) assesses the operation of state and local (area) programs and provides advice as is appropriate. Also, to convey its assessment to the Secretary (DOL) the Secretary of HEW, the governor, and the general public.

Individualized Services

All program services -- currently encompassed in separate programs -- will be available to design and carry out an "employability development plan" for each individual tailored to his needs. Eligible applicants will be provided a continuous sequence of services which will enable them to secure and advance in suitable work. Such services would include counseling, basic education, medical care, work experience, institutional and on-the-job training, and job referral activities. In general, persons who are 16 years of age and older and who are unemployed, underemployed, or low-income would be eligible to receive services under the Act. There will be special provisions for enrolling certain youth under the age of 16 years. Any other person could participate when it was determined such participation would improve the utilization of the Nation's manpower resources.

Expanded Appropriations During High Unemployment Periods

If the national unemployment rate in the United States reaches the rate of 5 percent for three consecutive months, an expanded program would be triggered. The Secretary of Labor would be authorized to obligate an additional amount equal to 10 percent of the amount appropriated under the Act during the fiscal year in which that unemployment rate was reached.

Level of Federal Funding

The regular Federal share of Title I program costs will be 90 percent

Federal Program Authority

The Federal Government would be authorized to arrange directly for the operation of program activities:

1) where no comprehensive plan has been approved for a state,

2) in any portion of a state comprehensive plan which was disapproved,

3) up to 75 percent of the funds apportioned to a state where a lead agency has been established, a comprehensive plan approved, but no umbrella agency established, and

4) with funds in excess of the 80 percent required to be apportioned among the states and funds required to finance the 5 percent supplemental program.

Program Support

A set aside under the Act of 2½ percent for research and development activities would be provided. In addition, labor market information activities, research, evaluation, and training and technical assistance to managers and other staff furnishing manpower services is authorized.

Computerized Job Bank

A National Computerized Job Bank would be established to facilitate the placement of persons in employment for which they are qualified. The Bank would be operated within each state by the state employment service in accordance with plans approved by the Secretary of Labor. The Secretary also would operate the interstate phase of the Bank's operation, collecting information from each State and making it available to all States. In addition, the Secretary would operate regional computer centers for sparsely populated states where one center could more economically serve more than one state. Information regarding both job applicants and job orders would be processed through the system.

Allowances and Wages

Allowances to institutional trainees would be raised from an amount equal to the average state unemployment compensation weekly benefit now available under MDTA to:

1) an amount equal to one-half of the average weekly wage paid in each state for employment covered under the unemployment insurance compensation system, or

2) an amount equal to 40 times the basic Federal minimum wage (now $1.60), whichever is lower, provided, that the allowance will be at least equal to the average unemployment insurance benefit paid within the state.

In addition, trainees would continue to be allowed $5 per week for each dependent, up to six dependents. Adults receiving allowances in a household in which others are already providing primary support for the family would be entitled to receive only one half of the regular allowance. Youths would be entitled to receive full allowances.

Public assistance recipients would receive an incentive and expense allowance in addition to their welfare payments during training. Allowances for welfare recipients will be limited to $30 per month and shall not be considered income for purposes of applying any provisions of the Social Security Act with regard to inclusion of income for purposes of determining need.

Workers employed in "work experience" programs will be paid wages at rates no lower than the lowest rate prescribed in the Fair Labor Standards Act. Workers undertaking employer compensated on-the-job training will be compensated at the prevailing wage rate for similar work. Compliance with state and local minimum wage laws will be required.

Authorizations

Appropriation of such amounts as Congress found necessary to carry out the Act would be authorized. Appropriations would remain available for the year in which appropriated and one following year.

Authorities Affected

The bill would, in general, combine in one statute, with planning and administration leadership for states and municipalities, the program authority now found in three separate places:

1) The Manpower Development and Training Act.

2) Title I-A of the Economic Opportunity Act (Job Corps)

3) Title I-B of the Economic Opportunity Act (work and training programs)

Two other major programs which are the responsibility of the Department of Labor would be administered as nearly as possible a part of the comprehensive manpower system through the arrangements for decentralization of administration contained in the comprehensive bill:

1) The Federal-state employment service system authorized in the Wagner-Peyser Act

2) The Work Incentive Program authorized under Title IV of the Social Security Act

Aspects of the Manpower Training Act of 1969

For the economically disadvantaged:

1) The legislation is to serve unemployed, underemployed, low-income and disadvantaged persons in its scope of services (Section 107).

2) Provides for participation (in planning, monitoring and evaluation) of representatives of the poor:

- in the state manpower planning organization (Section 104 (a)(3)(c)).
- on local area planning advisory bodies (Section (a)(4)) the state and local planning bodies will receive support for staff.
- in planning and evaluation of state and area (local) programs established by the Act (Section 104 (a)(b)).
- will be consulted by the Secretary of Labor in the evaluation of all programs and activities of the Act (Section 304).
- DOL interprets Section 603 to provide for representation of the poor on the Regional and National Manpower Advisory Committees to be established.

3) OEO Director will be consulted by the Secretary on all E&D programs designed (and funded by Title III of the Act) for the disadvantaged poor. Section 301 (b).

4) Goal is to provide better coordinated, more effective manpower programs. Section 2 (8).

For CAA's:

1) May, if local governments representing 75 percent of the population in program area agree, be selected as local prime sponsors; and as prime sponsors would have responsibility for "planning, administering, or providing for the administration" of area programs assisted under the Act. Section 102 (a)(2). Where a CAA is a public agency responsible to the mayor, the 75% consent need not apply if the mayor wishes to designate the public CAA as prime sponsor provided the mayor obtains the agreement of the governor.

2) As prime sponsors, would have responsibility for establishing area (local) comprehensive manpower planning advisory body. Section 104 (a)(4).

3) May provide services and facilities in local manpower programs, either without or with reimbursement. Section (a)(1).

4) Could receive funds directly from Secretary for experimental and demonstration programs -- (Title III Section 301 (b)), or as a part of the Secretary's discretionary funds (20%) under Section 601 (d). Also, if state fails to establish a Comprehensive Manpower Agency, the Secretary would utilize 75 percent of funds apportioned to the state for direct operation of CMA programs and could utilize CAA's for these operations.

Roles and Responsibilities of OEO:

1) OEO's principal role under the Act will be to conduct experimental and developmental work, under a revised Title I-B of EOA of 1964. Section 616 (c).

2) OEO is to be consulted by the Secretary of Labor:

(a) on the formulation of rules, regulations, standards, and annual guidelines for the conduct of state and local programs financed by the Act. Section 104 (a)(1).
(b) in DOL's experimental special programs. Section 310 (b).
(c) in the implementation of Title V dealing with manpower policy as an economic stabilizer (Section 503)

3) State EOO's may be included in the state comprehensive manpower agencies (Section 102 (a) (1)) and will be included in the state manpower planning organizations. Section 104 (a)(3).

FOR RELEASE AT 2:00 P.M. (EDT) AUGUST 12, 1969

Office of the White House Press Secretary
(San Clemente, California)

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

A job is one rung on the ladder of a lifelong career of work.

That is why we must look at manpower training with new eyes: as a continuing process to help people to get started in a job and to get ahead in a career.

"Manpower training" is one of those phrases with a fine ring and an imprecise meaning. Before a fresh approach can be taken, a clear definition is needed.

Manpower training means: (1) making it possible for those who are unemployed or on the fringes of the labor force to become permanent, full-time workers; (2) giving those who are now employed at low income the training and the opportunity they need to become more productive and more successful; (3) discovering the potential in those people who are now considered unemployable, removing many of the barriers now blocking their way.

Manpower training, in order to work on all rungs of the ladder, requires the efficient allocation by private enterprise and government of these human resources. We must develop skills in a place, in a quantity and in a way to ensure that they are used effectively and constantly improved.

Today, government spends approximately 3 billion dollars in a wide variety of manpower programs, with half directly devoted to job training; private enterprise spends much more on job training alone. The investment by private inductry -- given impetus by the profit motive as well as a sense of social responsibility -- is the fundamental means of developing the nation's labor force. But the government's investment has failed to achieve its potential for many reasons, including duplication of effort, inflexible funding arrangements and an endless ribbon of red tape. For example:

-- A jobless man goes to the local skill training center to seek help. He has the aptitudes for training in blue collar mechanical work, but no suitable training opportunities are available. At the same time, vacancies exist in a white collar New Careers project and in the Neighborhood Youth Corps. But the resources of these programs cannot be turned over to the training program that has the most local demand.

-- A 17-year old boy wants to take job training. The only manpower program available to him is the Job Corps, but its nearest camp is hundreds of miles away. With no other choice, he leaves home; within 30 days he has become homesick or feels his family needs him; he drops out of the Corps and has suffered "failure" which reinforces his self-image of defeat.

-- A big-city Mayor takes the lead in trying to put together a cohesive manpower program for the entire labor market area -- tying together jobless workers in the inner city with job openings outside the "beltway." He finds it difficult to assemble a coherent picture of what's going on. Manpower programs funded by different agencies follow different reporting rules, so that the statistics cannot be added up. Moreover, there is no single agency which maintains an inventory of all currently operating manpower programs. He knows that help is available -- but hwere does he turn?

-- An unemployed high school drop-out in a small town wants to learn a trade in the electronics field. His local employment office tells him that there is not enough demand in his town for qualified technicians to warrant setting up a special training class in a local public school. He is also told that "administrative procedures" do not lend themselves to the use of a local private technical institute which offers the very course he wants. This youngster walks the streets and wonders what happened to all those promises of "equal opportunity."

This confused state of affairs in the development of human resources can no longer be tolerated. Government exists to serve the needs of people, not the other way around. The idea of creating a set of "programs," and then expecting people to fit themselves into those programs, is contrary to the American spirit; we must redirect our efforts to tailor government aid to individual need.

This government has a major responsibility to make certain that the means to learn a job skill and improve that skill are available to those who need it.

Manpower training is central to our commitment to aid the disadvantaged and to help people off welfare rolls and onto payrolls. Intelligently organized, it will save tax dollars now spent on welfare, increase revenues by widening the base of the taxpaying public, and -- most important -- lift human beings into lives of greater dignity.

I propose a comprehensive new Manpower Training Act that would pull together much of the array of Federal training services and make it possible for State and local government to respond to the needs of the individual trainee.

The Nation must have a Manpower System that will enable each individual to take part in a sequence of activities -- tailored to his unique needs -- to prepare for and secure a good job. The various services people need are afforded in laws already on the books. The need today is to knit together all the appropriate services in one readily available system. By taking this step we can better help the disadvantaged gain control and direction of their own lives.

A first step was taken in this direction in March when I announced the reorganization of the Manpower Administration of the U.S. Department of Labor. This reorganization consolidated the agencies that had fragmented responsibility for carrying out most of the Nation's manpower training program. We must now complete the job by streamlining the statutory framework for our manpower training efforts.

In specific terms, the Act which I propose would:

1. Consolidate major manpower development programs administered by the Department of Labor -- namely, the Manpower Development and Training Act and Title I-A (Job Corps) and I-B (Community Work and Training Program) of the Economic Opportunity Act. These programs, operated in conjunction with strengthened State manpower agencies, will provide training activities in a cohesive manpower services system. The Office of Economic Opportunity, without major manpower operationsl responsibilities, will continue its role in research work and program development working with the Department of Labor in pioneering new manpower training approaches.

2. Provide flexible funding of manpower training services so that they can be sensitive to and focused on local needs; this will ensure the most efficient use of available resources.

3. Decentralize administration of manpower services to States and metropolitan areas, as Governors and Mayors evidence interest, build managerial capacity, and demonstrate effective performance. This process will take place in three stages. First, a State will administer 25 percent of the funds apportioned to it when it develops a comprehensive manpower planning capability; second, it will exercise discretion over 66 2/3 percent when it establishes a comprehensive Manpower Training Agency to administer the unified programs; and, third, it will administer 100 per cent when the State meets objective standards of exemplary performance in planning and carrying out its manpower service system.

The proposed Act will assure that equitable distribution of the manpower training dollars is made to the large metropolitan areas and to rural districts, working through a State grant system.

By placing greater reliance on State and local elected officials, the day-to-day planning and administration of manpower programs will become more responsive to individual job training needs. A dozen States have already taken steps to reshape administrative agencies and to unify manpower and related programs.

To qualify for full participation under the proposed Act, each State and the major cities in a State would unify its manpower administration under State and local prime sponsors. These agencies would administer the programs funded by the Federal Government; be responsible for other State and local activities to help people secure employment; help employers find manpower; and work in a close liaison with State and local vocational education, vocational rehabilitation and welfare programs, for which leadership will be provided at the national level by the Department of Health, Education, and Welfare.

In addition, the State and local prime sponsors would establish advisory bodies, including employees, employers and representatives of the local populations to be served, to assist in developing local policy. In this manner, the units of government would be able to benefit continually from the experience and counsel of the private sector.

4. Provide more equitable allowances for trainees, simplifying the present schedule to provide an incentive for a trainee to choose the training best suited to his own future, and not the training that "pays" most.

As an incentive to move from welfare rolls to payrolls, the allowance to welfare recipients who go into training would be increased to $30 per month above their present welfare payments. These increased training allowances carefully dovetail into the work incentives outlined in my message to the Congress regarding the transformation of the welfare system. As the welfare recipient moves up the ladder from training to work, the first $60 per month of earnings would result in no deductions from Federally-financed payments.

5. Create a career development plan for trainees, tailored to suit their individual capabilities and ambitions.

Eligible applicants -- in general, those over 16 who need training -- would be provided a combination of services that would help them to train, to find work, and to move on up the ladder. These services will include counseling, basic vocational education, medical care, work experience, institutional and on-the-job training, and job referral. Manpower services will also be available for those who are presently employed but whose skill deficiencies hold them in low-income, dead-end jobs.

6. Establish a National Computerized Job Bank to match job seekers with job vacancies. It would operate in each State, with regional and national activities undertaken by the Secretary of Labor, who would also set technical standards.

The computers of the Job Bank would be programmed with constantly changing data on available jobs. A job seeker would tell an employment counselor his training or employment background, his skills and career plans, which could be matched with a variety of available job options. This would expand the potential worker's freedom of choice and help him make best use of his particular talents.

7. Authorize the use of the comprehensive manpower training system as an economic stabilizer. If rising unemployment were ever to suggest the possibility of a serious economic downturn, a counter-cyclical automatic "trigger" would be provided. Appropriations for manpower services would be increased by 10 percent if the national unemployment rate equals or exceeds 4, 5 percent for three consecutive months. People without the prospect of immediate employment could use this period to enhance their skills -- and the productive capacity of the nation.

I proposed a similar measure in my message to the Congress on expansion of the unemployment insurance system.

The proposed comprehensive Manpower Training Act is a good example of a new direction in making Federalism work. Working together, we can bring order and efficiency to a tangle of Federal programs.

We can answer a national need by decentralizing power, setting national standards, and assigning administrative responsibility to the States and localities in touch with community needs.

We can relate substantial Federal-State manpower efforts to other efforts in welfare reform, tax sharing and economic opportunity, marshaling the resources of the departments and agencies involved to accomplish a broad mission.

We can meet individual human needs without encroaching on personal freedom, which is perhaps the most exciting challenge to government today.

With these proposals, which I strongly urge the Congress to enact, we can enhance America's human resources. By opening up the opportunity for manpower training on a large scale, we build a person's will to work; in so doing, we build a bridge to human dignity.

RICHARD NIXON

THE WHITE HOUSE,
August 12, 1969

# # # # #

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

August 12, 1969

Honorable John W. McCormack
Speaker of the House of Representatives
Washington, D. C. 20515

Honorable Spiro T. Agnew
President of the Senate
Washington, D. C. 20510

Dear Mr. Speaker:

Dear Mr. President:

I am enclosing a draft "Manpower Training Act of 1969" to carry out the President's recommendations in his message to the Congress of August 12, 1969. I am also enclosing a statement explaining the purpose and effect of the legislation.

The proposal will establish a comprehensive manpower development program to assist persons in overcoming obstacles to suitable employment. I urge that early and favorable consideration be given to its enactment.

The Bureau of the Budget advises that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

George P. Shultz
Secretary of Labor

Enclosures

STATEMENT IN EXPLANATION OF
MANPOWER TRAINING ACT OF 1969,
A DRAFT BILL TO ASSIST PERSONS IN OVERCOMING OBSTACLES TO SUITABLE EMPLOYMENT

GENERAL

Many new manpower programs have been developed in recent years to aid the unemployed, underemployed, and low income groups. Efforts to coordinate these separately conceived programs through existing administrative arrangements have been ineffective. The patchwork of programs and responsibilities within and among agencies has made it impossible to establish a constructive Federal-State-local partnership for providing manpower services to the individual. Separate categorical programs are often unresponsive to community needs and may impede the delivery of manpower services to persons they are intended to help.

The proposed Manpower Training Act will create a comprehensive manpower services system. The Secretary of Labor will provide guidelines and national priorities, review and approve annual State plans of service, and evaluate performance of State and area manpower service systems. The concurrence of the Secretary of Health, Education, and Welfare will be required with regard to those programs within that Department's traditional areas of responsibility. The Governors will determine the utilization of manpower program resources, be responsible for State comprehensive manpower plans, assure the provision of manpower services in rural areas and nonmetropolitan areas, and monitor program performance. The Mayors will be responsible for planning and implementing manpower programs in urban areas.

The Act will:

(1) Assure that the people who need and desire job training, especially the disadvantaged, have ready access to the combination of training and other manpower services they require to find and hold good jobs. These services will be tailored to the needs of the individual.

(2) Decentralize administration of manpower programs to States and metropolitan areas, step by step, as Governors and Mayors demonstrate interest and establish administrative capacity in the manpower area. As the system develops the States and areas will be delegated administrative responsibility for successively larger shares (ultimately 100%) of the funds apportioned to operate manpower programs. The Secretary will retain 20% of funds appropriated for direct use, as in national projects.

(3) Provide flexible funding for manpower programs so that they may be planned in the community, to meet community needs.

(4) Consolidate manpower programs administered by the Labor Department.

(5) Unify administration of manpower services by establishing State and area single Prime Sponsors who will be responsible for the planning and conduct of all services.

(6) Make the present training allowance system more equitable.

(7) Require annual comprehensive manpower plans which are responsive not only to State and local needs but also to national priorities and guidelines, as the basis for grants.

(8) Provide an equitable distribution of resources among the cities and rural areas while working through a State grant system.

(9) Provide for a National Computerized Job Bank.

(10) Facilitate the use of the manpower program as an economic stabilizer by automatically increasing appropriations 10 percent if the national unemployment rate reaches 4-1/2 percent for three consecutive months.

(11) Establish an Intergovernmental Advisory Council on Manpower, composed of Governors, Mayors and other local officials.

SUMMARY OF MAJOR PROVISIONS

Individualized Services

All program services--currently encompassed in separate programs--will be available to design and carry out an "employability development plan" for each individual tailored to his needs. In general, persons who are 16 years of age and older and who are unemployed, underemployed, or low income would be eligible to receive services under the Act. Any other person could participate when it was determined such participation would improve the utilization of the Nation's manpower resources.

Three State Decentralization of Administrative Responsibilities

First, State administration of 25 percent of apportioned funds when it designates a "lead agency" and develops comprehensive manpower planning capability and an approved manpower plan; second, State administration of 66-2/3 percent of the funds when it establishes

(1) a Comprehensive Manpower Agency to operate the unified programs in accordance with an approved plan, (2) a State manpower planning organization to coordinate all manpower related programs, and (3) arrangements to designate Mayors as area prime sponsors; and third, State control of 100 percent of its apportioned funds when the State meets objective standards of exemplary performance in planning and carrying out its manpower service system.

Allowances and Wages

The basic allowance to individuals enrolled in a manpower training program will be based on the average weekly wage in employment covered by the State's unemployment compensation law. In FY 1971 the basic allowance will be 40 percent of such average weekly wage, in FY 1972 - 45 percent and in FY 1973 and thereafter - 50 percent. Trainees with family responsibilities will be allowed an additional $5 per week for each dependent, up to six dependents. In lieu of such allowances, public assistance recipients will receive an incentive and expense allowance of $30 per month in addition to their welfare payments during training.

A completion bonus equal to twice the individual's weekly allowance, will be paid upon the successful completion of an authorized training course of 15 weeks or more duration.

Workers employed in "work experience" programs will be paid wages at rates no lower than the lowest rate prescribed in the Fair Labor Standards Act. Workers undertaking employer compensated on-the-job training will be compensated at the higher of the applicable minimum wage rate or the prevailing wage rate for similar work in the locality.

State Apportionment of Funds

The Secretary of Labor would apportion at least 75 percent of the funds appropriated to carry out the Act (except its Job Corps, Job Bank and extended appropriations provisions) each year among the States in accordance with criteria which he would publish. Metropolitan areas within States (Standard Metropolitan Statistical Areas or other designated areas) would be guaranteed apportionment of an amount in proportion to the number of persons in the labor force and number of disadvantaged individuals residing in the area compared with the State total of such persons. Federal funds apportioned to the States under the regular program would be available to pay 90 percent of program costs.

Incentive Apportionment

An amount equal to 5 percent of the funds appropriated will be available for supplemental apportionments to States and areas which meet the exemplary performance standards. The Federal Government will contribute $2 for every dollar of available State funds.

Federal Program Authority

The remaining 20 percent of the funds will be available for expenditure directly by the Secretary to carry out the purpose of the Act. The Federal Government would be authorized to arrange directly for all or a portion of the operation of program activities when a State failed to assume its responsibilities under the Manpower Training Act or when it was only in partial compliance with provisions of the Manpower Training Act. In addition, such programs could be conducted directly with funds not apportioned to the States. In conducting research and demonstration programs under title III, the Secretary of Labor will consult fully with interested Federal agencies (including the Civil Service Commission with regard to the effect of the programs on the Federal service).

Manpower Training as an Economic Stabilizer

In any fiscal year in which the national unemployment rate reaches 4.5 percent for three consecutive months, the Secretary of Labor could spend additional funds on authorized programs equal to 10 percent of the amount then appropriated under the Act for that year. When unemployment drops below the trigger level, remaining unobligated funds will no longer be available.

Computerized Job Bank

A National Computerized Job Bank would be established in each State, or on a regional basis where sparsely populated States can be grouped together, to facilitate the placement of persons in employmen for which they are qualified. The Bank would be operated within each State by the State Employment Service. The Secretary would operate the interstate phase of the Bank's operation, collective information from each State and making it available to all States. Information regarding both job applicants and job orders would be processed through the system. To the extent that Federal agency vacancy information may be required, the Secretary will consult fully with the

Chairman of the Civil Service Commission in developing any reporting requirements. Federal vacancies will be filled in accordance with laws and regulations which apply to Federal employment.

Advisory Bodies

The National Manpower Advisory Committee will be continued.

A new Intergovernmental Advisory Council on Manpower will be established. It will be composed of representative Governors, Mayors, and other elected local officials, and will advise the Secretary on the Federal-State-local partnership established to administer manpower programs.

Other Acts Affected

The Manpower Development and Training Act of 1962 and Title V of the Economic Opportunity Act are repealed and replaced by the manpower services provisions of this Act. The provisions of Title I-B of the Economic Opportunity Act are also replaced by the manpower services provisions of this Act. A new Title I-B of the Economic Opportunity Act authorizes the Office of Economic Opportunity to undertake experimental programs in the employment and employment-related problems of the poor. Title I-A of the Economic Opportunity Act (Job Corps) is transferred to the Manpower Training Act, and administration is placed directly in the Secretary of Labor.

A BILL

To establish a comprehensive manpower development program to assist persons in overcoming obstacles to suitable employment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Manpower Training Act of 1969.

SEC. 2. Statement of findings and purpose. The Congress finds and declares that--

(1) The Nation's prosperity, economic stability, and productive capacity are limited by a lack of workers with sufficient skills to perform the demanding production, service, and supervisory tasks necessary in an increasingly technological society. At the same time, there are many workers who are unemployed or are employed below their capacity who, with additional education and training, could make a greater contribution to the national economy and share more fully in its benefits.

(2) The problem of assuring meaningful employment opportunities will be compounded by the continued rapid growth of the labor force. It is imperative that these new workers, including the many young people who will enter the labor force, be provided with adequate academic and vocational skills which will allow them to work at the level of their full potential.

(3) The placement in private employment of unemployed, underemployed and low income workers is hampered by the absence of entry level opportunities. These opportunities can be augmented by assisting workers now in entry level jobs to improve their skills and advance to more demanding employment.

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(4) Expansion of public service employment opportunities for unemployed, underemployed and low income persons will allow the Nation to meet more adequately the unfulfilled public needs in such fields as health, recreation, housing and neighborhood improvements, public safety, maintenance of parks, streets, and other public facilities, rural development, transportation, conservation, and other fields of human betterment and public improvement.

(5) The public and private educational system has the major responsibility to provide the academic, technical and vocational training opportunities necessary to prepare attending students for the world of work. This system must be strengthened to achieve its goals, and its success is critical to lessening the need for remedial manpower programs. But, where effective opportunities have not been provided to individuals or their access to them continues to be restricted, remedial services should be provided as a part of our Nation's manpower programs.

(6) Improved training and employment opportunities are vital to developing capacity for self-support by public assistance recipients, and the manpower system must assume special responsibility and accountability for training, placing, and upgrading these persons.

(7) Experience has shown that the administration and delivery of effective manpower programs are extremely complex matters, requiring a more comprehensive, unified and flexible approach and the active cooperation of employers, employees, and other public and private agencies, individuals and organizations.

(8) The effectiveness of manpower programs would be improved by a more coordinated approach in evaluating the needs of individual participants and mobilizing available resources to meet these needs.

It is therefore the purpose of this Act to establish a comprehensive and coordinated National manpower program, involving the efforts of all sectors of the economy and all levels of Government. The program should be designed to provide greater opportunities for training and related services necessary to assist individuals in developing their full economic and occupational potential.

TITLE I

STATE PLANS AND GRANTS

SEC. 101. Eligible Activities. The programs and activities for which funds under this title may be expended shall include, but are not limited to, the following:

(1) Basic education, including literacy and communications skills which will assist individuals to become more employable or more suitable for participation in occupational training;

(2) Outreach, counseling, testing, work evaluation and adjustment, work sampling, recruitment, placement and follow-up services;

(3) Orientation to work discipline and acclimation to the work situation;

(4) Institutional and on-the-job occupational training, including training of employed workers for the purpose of upgrading their skills and improving the utilization of available manpower;

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(5) Supportive services, including health services, physical examinations, the furnishing of prosthetic devices, child care, bonding, and other special services, including residential support, deemed necessary for enhancing the employability of participants in programs assisted under this title;

(6) Work experience for unemployed and disadvantaged individuals, including the performance of socially useful work in public and private agencies or organizations in the fields of health, public safety, education, recreation, streets, parks, and municipal maintenance, housing and neighborhood improvement, conservation and rural development, beautification, and other fields of human betterment and community improvement, including the establishment, operation or strengthening of any such program;

(7) Part-time work for students in 9th through 12th grades (and youths of equivalent ages) to assist them in remaining in or returning to school; and with such employment opportunities developed in consultation with educational authorities to enhance, to the extent feasible, the educational growth of such students;

(8) Relocation assistance, including grants, loans, and the furnishing of such services as will aid an involuntarily unemployed individual to relocate in an area where he may obtain suitable employment;

(9) The development of job opportunities including activities designed to promote job restructuring and redesign for the purpose of providing more effective utilization of manpower;

(10) Incentives to public or private employers including reimbursements for a limited period when an employee newly hired or being upgraded might not be fully productive;

(11) Training for specialized or other personnel and technical assistance which is needed in connection with the programs established under this title or which otherwise pertain to the purposes of this title;

(12) Such other programs and activities as the Secretary deems necessary to carry out the purposes of this Act.

SEC. 102. Grants to States with Comprehensive Manpower Agencies.

(a) The Secretary of Labor shall, in accordance with such regulations as he may prescribe, make grants to a State equalling 66-2/3 per centum of funds apportioned to the State and available for the purpose if the Secretary determines that such State has submitted a plan approved in accordance with section 104, is complying with provisions of that plan, and is:

(1) Maintaining a State comprehensive manpower agency which (A) shall include the State public employment service, the unemployment compensation agencies (unless specifically exempted by the Secretary), agencies administering or providing for administration of programs authorized by this Act, and agencies established by State law administering manpower programs or program components not assisted by Federal grants-in-aid; and (B) includes agencies administering programs authorized by the Vocational Education Act or the Vocational Rehabilitation Act where the State so requests: Except, That the Secretary may with the concurrence of the

Secretary of Health, Education, and Welfare refuse to make grants as provided in this section by reason of a decision of the State not to so include such agencies; and (C) includes such other related agencies as the State may deem appropriate. The State comprehensive manpower agency shall conform to such methods of administration as are found by the Secretary to be necessary for the proper and efficient operation of the plan (including methods relating to the establishment and maintenance of personnel standards on a merit basis: Except, That the Secretary shall exercise no authority with respect to selection, tenure of office, and compensation of any individual employed in accordance with such methods). The agency shall be responsible for consulting with the State manpower planning organization which develops the State comprehensive manpower development plan under section 104, for receiving funds under this Act and the Wagner-Peyser Act, and for administering or providing for the administration of those activities in the approved plan which are authorized by this Act and the Wagner-Peyser Act. In carrying out programs assisted under this Act, the agency shall be required to the fullest extent possible to utilize those services and facilities not financed under this Act, which are available from Federal, State, and local agencies. Where services and facilities financed under other authority are not available without reimbursement, the comprehensive manpower agency shall be required to the fullest extent possible to purchase the use of facilities and services from Federal, State, and local agencies where available at reasonable cost. The agency may also make appropriate arrangements to utilize the services and facilities of private agencies, organizations, and businesses. The Secretary of Labor shall determine whether a State has established a comprehensive manpower agency and is eligible to receive grants under this section.

(2) Providing for the designation of a local prime sponsor who shall be responsible for planning, administering or providing for the administration of programs assisted under this Act in any Standard Metropolitan Statistical Area or other area or areas which the Secretary deems appropriate. Prime sponsors shall be designated by the Governor or Governors of the States in which the area is located, from among the towns, cities, or other such units of local general government within the area: Provided, That if a unit or units of local general government representing 75 per centum of the population of an area, determined in accordance with regulations which the Secretary shall prescribe, concur as to the nomination of any other public body or private agency or organization as a prime sponsor, the prime sponsor so nominated shall be designated by the Governor. In designating a prime sponsor for an area, the Governor shall consider the distribution of population, work force, and disadvantaged persons within the area. For the purposes of this paragraph, the highest appropriate elected executive officials of each unit of local general government shall represent such unit. The identity of prime sponsors designated by the Governor shall be included in the annual State plan and be subject to approval by the Secretary. Area plans prepared by the prime sponsors in consultation with appropriate manpower advisory bodies shall be included in the State plan where they are found by the Governor to be consistent with the requirements of the Secretary under section 104. Where such a plan has not been included in the State comprehensive plan, the Secretary shall, upon request of the prime sponsor,

determine after consultation with the Governor whether the area comprehensive plan is consistent with the requirements of section 104. If the Secretary determines that the plan is consistent with these requirements, it shall be included in the State plan.

(b) The Secretary shall, with the concurrence of the Secretary of Health, Education, and Welfare, with regard to program components described in section 104(b), promulgate standards of exemplary performance in administering programs assisted under this title. The standards shall relate to planning for the allocation of resources, program effectiveness, and efficiency and economy, including unit costs, in carrying out such programs. Any State eligible for grants under this section, whose conduct of programs assisted under this title is determined by the Secretary to be complying with these standards shall receive 100 per centum of the funds apportioned to the State and available for the purpose, in lieu of the 66-2/3 per centum authorized by subsection (a).

(c) Whenever the funds granted to a State under this section would be less than the funds apportioned to the State under section 601 and available for the purpose, the Secretary shall utilize the remainder of such apportioned funds to carry out the provisions of the State plan, either directly, or through such arrangements with public or private agencies, individuals, or organizations as he finds appropriate.

SEC. 103. Grants to Carry Out State Plans in Absence of State Comprehensive Manpower Agency. (a) In the event that a State has submitted a plan approved in accordance with section 104, but has not met the requirements of section 102, the Governor may, by agreement with the Secretary, designate a single State agency for the purpose of administering or providing for the administration of the State plan. Such agency shall have demonstrated competence in administering manpower programs. Where an agency is designated under this section, and the State is complying with provisions of the approved plan, the Secretary shall grant to the State 25 per centum of the funds apportioned to the State under section 601 and available for the purpose, for use in administering or providing for the administration of those portions of the State plan which he may find appropriate. The Secretary shall utilize the remaining funds apportioned to the State and available for the purpose to carry out the provisions of the State plan, either directly, or through such arrangements with public or private agencies, individuals, or organizations as he finds appropriate.

(b) In the event that a State has submitted a plan approved in accordance with section 104 but:

(1) is not eligible for grants under section 102; and

(2) has not designated a single State agency in accordance with subsection (a);

the Secretary shall utilize the funds apportioned to such State and available for the purpose, to carry out the provisions of the approved State plan, either directly, or through such arrangements with public or private agencies, individuals, or organizations as he finds appropriate.

SEC. 104. Approval of State Comprehensive Manpower Development Plans.

(a) The Governor of a State seeking assistance under this Act shall submit an annual multi-year comprehensive manpower development plan to the Secretary for approval in accordance with the requirements of this section. Such plan shall, except as otherwise provided in this Act:

(1) Provide for the conduct of programs financed under this Act and the Wagner-Peyser Act, including the furnishing of services to eligible individuals, to the extent, in such manner, and in accordance with such rules, regulations, standards of performance and annual guidelines as the Secretary, after consultation with the Director of the Office of Economic Opportunity, determines are necessary for the purpose of (A) providing coordinated and comprehensive assistance to those individuals requiring manpower and manpower-related services in order to achieve their full economic and occupational potential; (B) providing increased occupational opportunities and work experience for eligible individuals; (C) lessening the number of persons receiving public assistance or the amount of the payments made under that program; (D) providing intensified efforts to relieve skill shortages; and (E) providing for a more effective utilization of manpower in our economy. Rules, regulations, standards of performance or guidelines established by the Secretary of Labor relating to program components of the kind designated in subsection (b) shall have the concurrence of the Secretary of Health, Education, and Welfare.

(2) Provide for the development of standards for evaluating the effectiveness of programs carried out under the State plan in achieving the objectives of this Act and provide adequate assurances that such standards will be considered in determining whether to renew or supplement assistance to agencies administering programs pursuant to such plan.

(3) Provide for the establishment and support, subject to the leadership of the Governor or his designee, of a State manpower planning organization, which shall be responsible, in consultation with other interested State agencies, for developing the State's comprehensive manpower development plan and advising the Governor concerning utilization of resources for their intended purposes in order to assure that manpower programs and program components are complementary in the State, including, but not limited to those provided by this Act, other Federal and State statutes, and to the extent practicable, activities of private employers and private nonprofit organizations. A State manpower planning organization shall (1) be established pursuant to State law, or by action of the Governor of the State for the purposes of this title, or (2) be an existing body designated by the Governor for the purpose of this title and in accordance with standards prescribed by the Secretary and the Secretary of Health, Education, and Welfare. The organization shall provide for broad representation from the manpower training and employment resources of the State in the development of the State plan, including persons representative of:

(A) State agencies administering or coordinating manpower training, employment, apprenticeship, general and vocational education, vocational rehabilitation, welfare, industrial development, labor, economic opportunity, human resource development, and other related programs;

(B) local public and private nonprofit manpower, training, and employment programs including prime sponsors and local comprehensive area manpower planning agencies;

(C) typical client groups, including low income groups, to be served by the programs;

(D) the general public, including business, labor, and social welfare organizations.

Notwithstanding any other provisions of law, any State plan and plan of service or portions thereof, which are required to be submitted to the Department of Labor or the Department of Health, Education, and Welfare, pertaining to manpower training programs or directly related employability development services aimed at qualifying individuals for employment in nonprofessional occupations, shall be reviewed by the State manpower planning organization. The plan and plan of service, along with the recommendations of the organization will be submitted to the Governor. The Governor shall be responsible for revising such plans and plans of service or portions thereof, to assure that they are complementary and that the allocation of resources provided within the manpower programs and program components of the plan or plans of service best meet the State and area needs. After making the necessary adjustments the Governor will present the plan and plan of service to the appropriate Federal agencies for approval.

(4) Provide for the establishment and support of an area comprehensive manpower planning advisory body or bodies in any Standard Metropolitan Statistical Area or other area or areas which the Secretary deems appropriate. The highest appropriate elected executive official of each unit of local general government served by an advisory body or their designees

shall have the opportunity to become members of the area advisory body. Where a prime sponsor has been designated pursuant to section 102 in an area served by an advisory body, the prime sponsor (as represented by its highest appropriate elected executive official or his designee where such sponsor is a unit of local general government) shall be responsible for the establishment of the advisory body. The advisory body will select its own chairman in accordance with rules prescribed by the Secretary. In the absence of a prime sponsor or in the event of a failure of the prime sponsor to fulfill his responsibilities under this paragraph, such responsibilities shall be fulfilled by the highest appropriate elected executive officials of the units of local general government within the area, or by the Governor if such officials fail to act in a timely manner. Area advisory bodies shall include representatives of those interests required to be represented in State manpower planning organizations provided under paragraph (3).

(5) Contain or be supported by adequate assurances satisfactory to the Secretary that appropriate State manpower planning organizations and area comprehensive manpower planning advisory bodies shall have an opportunity fully to assess the operation of the State and area programs and provide such advice as may be appropriate. Staff supporting such bodies shall have competence in the disciplines associated with the program areas subject to the organizations' planning responsibilities. The State manpower planning organizations and area comprehensive manpower planning advisory bodies shall be empowered in their own discretion, or at the request of the Secretary, to

convey their assessment or evaluations of the State and area programs to the Secretary, the Secretary of Health, Education, and Welfare, the Governor, and the general public.

(6) Provide for participation of members of low-income groups in the planning and evaluation of State and area programs established under this Act.

(7) Provide such other assurances or information as the Secretary may find necessary to carry out the purposes of this title.

(b) The Secretary shall determine whether a State plan meets the requirements of this Act: Except, That with regard to programs (or program components) authorized to be included in such plan under section 104(a) which are of a health, education, or welfare character or which are under the usual and traditional authority of the Secretary of Health, Education, and Welfare, the plan may not be approved without the concurrence of the Secretary of Health, Education, and Welfare. Such programs include basic education; institutional training; health, child care and other supportive services; new careers and job restructuring in the health, education and welfare professions; and work-study programs.

(c) The Secretary may approve all or any portion of a plan submitted by a State.

SEC. 105. Planning Grants. The Secretary is authorized to make grants to the States for the purpose of establishing and maintaining State manpower planning organizations and area advisory bodies and for developing comprehensive plans for submission to the Secretary pursuant to this title. Planning grants shall be made to a State from funds apportioned to such State under section 601 and available for the purpose.

SEC. 106. Noncompliance or Absence of an Approved Plan.

(a) If the Secretary determines, after notice to the State and opportunity for hearing, that a State which has been determined to be eligible for grants under sections 102 or 103(a) is no longer complying with the requirements of these provisions relating to (1) the maintenance of State comprehensive manpower or lead agencies; (2) the designation of local prime sponsors; (3) the inclusion of area plans in the State plan; or (4) compliance with exemplary standards; he may determine that the State is no longer eligible for receiving grants under sections 102 or 103(a) and withhold such further grants or portions thereof under these provisions as may be appropriate.

(b) In the event that a State has not submitted a comprehensive manpower development plan, approved in accordance with section 104, the Secretary may, after consultation with State and appropriate local governments, provide manpower services in the State authorized by this Act from funds apportioned to the State and available for the purpose.

(c) In the event that a State does not comply with any part of its approved plan, the Secretary may reduce its grant accordingly and provide the services provided for in the plan either directly, or through such arrangements as he may deem appropriate.

(d) To the extent that a State plan does not provide for all the services required in accordance with the Secretary's guidelines, the Secretary may provide such services as are needed to meet these guidelines out of the funds apportioned to the State under section 601 and available for the purpose.

(e) No determination of noncompliance under this section shall be made without the concurrence of the Secretary of Health, Education, and Welfare respecting those matters with regard to which his concurrence was required in the approval of grants under sections 102 or 103(a).

SEC. 107. Eligible Individuals. No financial assistance for any program under this title shall be provided unless the Secretary determines that participants in such programs are, except as otherwise provided, unemployed, underemployed, low income, or otherwise disadvantaged persons 16 years of age or over who are not adequately prepared for suitable employment in their area of residence: Except, That the Secretary may authorize the participation of other persons and may impose additional qualifications in order to facilitate the efficient utilization of manpower resources or otherwise carry out the purposes of this Act.

SEC. 108. Special Conditions. No financial assistance for any program or project under this title shall be provided unless the Secretary determines that:

(1) Compensation and allowances will be furnished to participants in accordance with the requirements of section 109, except as otherwise

provided or as the Secretary may otherwise prescribe, and fair procedures will be adopted and utilized in determining the eligibility and amount of any compensation or allowances to which a program participant may be entitled.

(2) Conditions of employment or training will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

(3) Appropriate standards for the health, safety and other conditions applicable to the performance of work and training on any project are established and will be maintained.

(4) Appropriate workmen's compensation protection will be provided to all participants.

(5) No discrimination will be exercised, threatened, or promised by any person with responsibilities in the operation of any program, against or in favor of any program participant or any applicant for participation in such program because of race, creed, color, national origin, sex, union membership, lack of union membership, political affiliation or beliefs.

(6) The project does not involve nor will any participant be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(7) The program will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed.

(8) The program will not provide assistance in relocating establishments from one area to another. This limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary, if the Secretary of Labor finds that assistance will not result in an increase in unemployment in an area where such business entity is located or conducts business.

(9) Funds utilized to carry out a State plan will be used to supplement, to the extent practicable, the level of funds that would otherwise be made available from non-Federal sources for the purpose of planning and administration of programs within the scope of this Act and not to supplant such other funds.

(10) The State agency and appropriate local "prime sponsors" will make such reports, in such form and containing such information as the Secretary may from time to time require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure that funds are being expended in accordance with the provisions of this Act.

SEC. 109. Compensation and Allowances. (a) For the purposes of this section, a basic allowance shall be equal to a proportion of the average weekly wage in employment covered by the unemployment compensation law in the State in which an individual was referred for participation in institutional training or other manpower development activities referred to in paragraph (c)(2) (without regard to the State in which such participation occurs) during the most recent four calendar quarter period for which such data are available. The average weekly wage shall be computed under regulations issued by the Secretary and irrespective of the limitation on the amount of wages subject to contribution under such State law, reported by employers as paid for services covered under the State law. The basic allowance shall be 40 per centum of such average weekly wage during the period July 1, 1970, through June 30, 1971; 45 per centum of such average weekly wage during the period July 1, 1971, through June 30, 1972; and 50 per centum of such average weekly wage on July 1, 1972, and thereafter: Provided, That a basic allowance shall not exceed 40 times the minimum hourly wage provided in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended: Provided further, That such basic allowance through June 30, 1972, in any State shall not be less than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) during the calendar year 1969 for a week of total unemployment in such State.

(b) For the purposes of this section, a dependents' allowance shall equal $5 per week for each dependent, to a limit of 6 dependents.

(c) Persons, except those specified in subsection (d), who are participating on a full-time basis in the following programs assisted under title I in (1) institutional training; or (2) other manpower development activities which are not compensated by an employer or subject to subsections (g) or (h); shall receive a basic allowance plus a dependents allowance for his dependents as specified in subsection (b) for each week of full-time participation: Except, That no individual shall receive allowances under this subsection which are less than the unemployment compensation (including allowances for dependents) to which such person would be entitled under any Federal or State unemployment compensation law if he were not participating in such activity.

(d) The following participants in full-time institutional training or other manpower development activities described in subsection (c) shall not be entitled to allowances provided in subsection (c):

(1) A public assistance recipient under programs assisted under titles I, IV, X, XIV, and XVI of the Social Security Act, who shall be paid, in addition to any public assistance payments to which he may be entitled, incentive payments of not more than $30 per month under regulations prescribed by the Secretary.

(2) A participant (age 22 and older) who is not the head of a household, as defined by the Secretary. Such participant shall receive one-half of the allowance computed under subsection (c): Except, That an individual who is not subject to this paragraph at the commencement of the period of participation shall not become subject thereto until the completion of such period.

(3) A participant who is under 18 years of age, unless such participant is the head of a household, as defined by the Secretary. Such participant shall receive a suitable weekly allowance, determined in accordance with the rules prescribed by the Secretary, but not to exceed the basic allowance prescribed in subsection (a): Provided, That any allowance

under this paragraph shall not be less than the unemployment compensation (including allowances for dependents) to which such person would be entitled under any Federal or State unemployment compensation law if he were not participating in such activity. An individual who is not subject to this paragraph at the commencement of the period of participation shall not become subject thereto until the completion of such period.

(4) A participant receiving unemployment compensation under any Federal or State unemployment compensation law. Such participant shall receive for each week of training, allowances equal to the difference between (1) any allowance to which he would otherwise be entitled under subsections (c) and (d) of this section and (2) the unemployment compensation (including allowances for dependents) which he received for such week.

(5) A participant engaged in employer-compensated on-the-job training or work experience assisted under this title. The allowances of such participants shall be computed in accordance with subsections (c) or (d), as appropriate, and shall be reduced in accordance with rules and regulations prescribed by the Secretary, which shall take into account the hours of such work experience or on-the-job training and the amount of compensation therefor.

(e) A participant engaged in the activities described in subsection (c) on less than a full-time basis shall receive a reduced basic allowance, computed in accordance with regulations prescribed by the Secretary, and a dependent's allowance if participation is in excess of 20 hours each week. Public assistance recipients shall receive an incentive payment as provided in subsection (d). Such reduced basic allowance shall be computed taking into account: (1) the hours of participation in such activity; (2) the allowance to which he would be entitled under subsections (c) and (d) if he were engaged in training on a full-time basis; (3) compensated work experience or on-the-job training assisted under this title in which the participant is engaged; and (4) unemployment compensation which the participant is receiving.

(f) No allowance under subsections (c), (d), or (e) of this section may be paid for any portion of a training period which extends beyond 104 weeks.

(g) Workers in programs providing work experience under this Act shall be compensated at a rate not less than the applicable minimum wage rate, but in no case less than the rate prescribed by section 6(b) of the Fair Labor Standards Act.

(h) Workers engaged in employer-compensated on-the-job training under this Act shall be compensated at a rate not less than the higher of (1) the applicable minimum wage rate, or (2) the prevailing wage paid to workers of like experience performing similar work in the locality.

(i) A participant undertaking training or work-experience or other manpower development activity described in subsection (c) on either a full-time or part-time basis, shall receive allowances for transportation and maintenance, in addition to the applicable training allowance or wage. The amount of allowances provided under this subsection shall be determined in accordance with regulations prescribed by the Secretary.

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(j) A participant who has successfully completed a program of full time participation, of not less than 15 weeks duration, in institutional training or other manpower development activities described in subsection (c) shall receive upon completion of his period of participation, a completion bonus which shall be equal to twice the allowance to which he is entitled under subsections (c) or (d) for his last week of full-time participation during such period.

SEC. 110. Interstate Agreements. In the event that compliance with provisions of this title requires cooperation or agreements between states, the consent of Congress is hereby given to such states to enter into such agreements to facilitate such compliance, subject to the approval of the Secretary.

SEC. 111. Interagency Concurrence. In any instance under this title in which the Secretary is authorized to conduct programs directly or through appropriate arrangements with public or private agencies, individuals or organizations, he shall first obtain the concurrence of the Secretary of Health, Education, and Welfare with regard to the conduct of programs involving any activities of the kind described in section 104(b).

SEC. 112. Advisory Panels. In carrying out his responsibility under this title, including the making of any determinations hereunder, the Secretary may request the advice of the manpower advisory committees established under section 603, the Intergovernmental Advisory Council, established under section 604, State manpower planning organizations, area planning advisory bodies, and such boards or panels of experts and consultants as he may deem appropriate.

TITLE II JOB CORPS

SEC. 201. Amendments to the Economic Opportunity Act.

(a) The Economic Opportunity Act of 1964, as amended, is further amended as follows:

(1) Subsection (e) of section 106 is repealed.

(2) Subsection (b) of section 115 is amended to read as follows:

"(b) The Director may enter into agreements with States or local prime sponsors to administer, assure, or assist in the administration of the programs provided in this part. The Director may, pursuant to regulations, pay part or all of the operative or administrative costs of such programs."

(b) Section 810(a) of the Economic Opportunity Act of 1964 is amended by striking the word "and" immediately preceding paragraph (3) thereof, by substituting a semicolon for the period at the end of the subsection, and by adding the following:

"and (4) with the approval of the Secretary of Labor, in Job Corps Centers operated under title II of the Manpower Training Act of 1969."

(c) Section 833(b) of the Economic Opportunity Act of 1964 is amended to read as follows:

"(b) Individuals who receive either a living allowance or

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a stipend under this title shall, with respect to such services or training:

"(1) for the purposes of subchapter III of chapter 73 of title 5 of the United States Code, be deemed persons employed in the executive branch of the Federal Government;

"(2) for purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), be deemed employees of the United States, and any service performed by an individual as a volunteer shall be deemed to be performed in the employ of the United States;

"(3) for purposes of the Federal tort claims provisions in title 28, United States Code, be deemed employees of the Government; and

"(4) for purposes of the subchapter I of chapter 81 of title 5 of the United States Code (relating to compensation to Federal employees for work injuries), be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except as follows:

"(A) In computing compensation benefits for disability or death, the monthly pay of a volunteer shall

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be deemed that received under the entrance salary for a grade GS-7 employee, and sections 8113(a) and (b) of title 5, United States Code, shall apply to volunteers; and

"(B) Compensation for disability shall not begin to accrue until the day following the date on which the injured volunteer is terminated."

SEC. 202. Transfer of Job Corps. (a) Title I, Part A, of the Economic Opportunity Act of 1964, as amended (sections 101-118), is transferred to the Manpower Training Act of 1969 and inserted as sections 203 through 220, respectively, as amended by subsection (e) of this section.

(b) All references to Part A of title I of the Economic Opportunity Act of 1964 or any provision thereof are hereby deleted from the Economic Opportunity Act of 1964. Any reference to Part A of title I of the Economic Opportunity Act or any provision thereof in any other law of the United States shall be deemed to be a reference to title II of this Act or the corresponding provision thereof.

(c) So much of the personnel, property, records and unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available in connection with the functions transferred by subsection (a) of this section as the Director of the Bureau of the Budget shall determine shall be transferred to the Department of Labor.

(d) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem necessary in order to effectuate the transfer provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

(e) Sections 203-220 of this Act as transferred by subsection (a) are amended as follows:

(1) The word "title" shall be substituted for the word "part" wherever it appears.

(2) The word "Secretary" shall be substituted for the word "Director" wherever it appears.

(3) The words "Department of Labor" shall be substituted for "Office of Economic Opportunity" wherever they appear.

(4) Section 205(1) is amended by deleting all the words in paragraph (1) following "United States" and substituting the following: "or a native and citizen of Cuba who arrived in the United States from Cuba as a non-immigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, or any person admitted as a conditional entrant under section 203(a)(7) of the Immigration and Nationality Act."

(5) Paragraphs (2) through (5) of section 205 are redesignated as (3) through (6) respectively and the following new paragraph (2) is inserted:

"(2) has attained age fourteen but not attained age twenty-two at the time of enrollment;".

(6) The reference in sections 205(5) to sections 104 and 105 are changed to "206" and "207", respectively.

(7) The reference in section 208(c) to section 609(3) is changed to "205(1)."

(8) The reference in section 209(b) to "Part B of this title" is deleted and the following is substituted therefor: "titles I and III of this Act and title I of the Economic Opportunity Act of 1964."

(9) Section 210 is amended by adding a new subsection (e) to read as follows: "(e) In conducting programs under this title, the Secretary shall consult with the Secretary of Health, Education, and Welfare with regard to institutional training provided for enrollees of the Job Corps."

(10) Section 211 is amended by adding a new subsection (e) as follows: "(e) Under such circumstances as the Secretary may determine, he may prescribe by regulation changes in the amount and method of payment of allowances and provision of expenses to correspond more closely to the methods and amounts prescribed in prescribed in title I of this Act. Such changes may include provision of higher allowances to cover appropriate enrollee expenses and offsetting charges to enrollees for living expenses."

(11) Section 214(d), as amended, is further amended by deleting "the Department of Labor and".

(12) Section 214(e) is amended by inserting a comma after the word "feasible", by deleting the words "in accordance with section 637(b) of this Act", and by changing the reference to 109(c) to 211(c).

(13) Section 214(e) is further amended by striking out the comma and inserting a period in lieu thereof after "employment service offices" and deleting the words "and shall furnish copies of such records to the Secretary of Labor."

(14) Section 215(a) is amended by striking out the reference to section 608 and substituting in lieu thereof "section 605."

(15) Section 215(b) is amended by striking out both references to "part B of this title" and substituting in lieu thereof "Title I of this Act " and by striking out the reference to section 608 and substituting in lieu thereof "section 605."

(16) Section 216 is amended by striking out the last sentence.

(17) Section 217(c) is amended by striking out the word "Act" and substituting in lieu thereof "title".

(18) Section 219 is amended by striking out subsection (a) and the first sentence of subsection (b), and redesignating subsections (b) through (d) as subsections (a) through (c) respectively.

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(19) A new section 221 is added to read as follows:

"SEC. 221. Additional Authorities. In addition to such other authority as he may have, the Secretary is authorized, in carrying out his functions under this title, to--

"(1) Utilize, with their assent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

"(2) Allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this title as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements; and

"(3) Expend funds made available for purposes of this title, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Secretary shall not utilize the authority contained in this subsection--

"(A) Except when necessary to obtain an item, service, or facility, which is required in the proper administration of this title, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and

"(B) Prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

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TITLE III SPECIAL FEDERAL PROGRAMS

SEC. 301. Information, Research and Development. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of manpower research utilizing the methods, techniques and knowledge of the behavioral and social sciences and such other methods, techniques and knowledge as will aid in the solution of the Nation's manpower problems. This program will include, but not be limited to, studies the findings of which may contribute to the formulation of manpower policy; development or improvement of manpower programs; increased knowledge about labor market processes; reduction of unemployment and its relationships to price stability; promotion of more effective manpower development, training and utilization; improved national, regional and local means of measuring future labor demand and supply; enhancement of job opportunities; up-grading of skills; meeting of manpower shortages; easing of the transition from school to work, from one job to another, and from work to retirement; and improvement of opportunities for employment and advancement through the reduction of discrimination and disadvantage arising from poverty, ignorance or prejudice.

(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems. In carrying out this subsection with respect to programs designed to provide employment and training opportunities for low-income people, the Secretary shall consult fully with the Director of the Office of Economic Opportunity. In carrying out this subsection the Secretary of Labor shall, where appropriate, also consult with the Secretaries of Health, Education, and Welfare, Commerce, Agriculture, and Housing and Urban Development, the Chairman of the Civil Service Commission, and such other agencies as may be appropriate. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare.

(c) The Secretary shall conduct such research and investigations as give promise of furthering the objectives of this Act either directly or through grants, contracts, or other arrangements.

SEC. 302. Labor Market Information. (a) The Secretary of Labor shall develop a comprehensive system of labor market information on a national, State, local, or other appropriate basis, including but not limited to information regarding--

(1) the nature and extent of impediments to the maximum development of individual employment potential including the number and characteristics of all persons requiring manpower services;

(2) job opportunities and skill requirements;

(3) labor supply in various skills;

(4) occupational outlook and employment trends in various occupations; and

(5) in cooperation and after consultation with the Secretary of Commerce, economic and business development and location trends.

(b) Information collected under this section shall be developed and made available in a timely fashion to meet in a comprehensive manner the needs of public and private users, including the need for such information in recruitment, counseling, education, training, placement, job development, and other appropriate activities under this Act and under the Economic Opportunity Act, the Social Security Act, the Public Works and Economic Development Act of 1965, the Wagner-Peyser Act, the Vocational Education Act of 1963, the Vocational Rehabilitation Act, the Demonstration Cities and Metropolitan Development Act of 1966, and other relevant Federal statutes.

SEC. 303. Manpower Utilization. The Secretary shall establish a program for the improvement of manpower utilization in sectors of the economy experiencing persistent manpower shortages, or in other situations requiring maximum utilization of existing manpower. The Secretary shall conduct this program either directly or through such other arrangements as he may deem appropriate.

SEC. 304. Evaluation. The Secretary shall provide for a system of continuing evaluation of all programs and activities conducted pursuant to this Act, including their cost in relation to their effectiveness in achieving stated goals, their impact on communities and participants, their implication for related programs, and the adequacy of their mechanism for the delivery of services. He shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs.

SEC. 305. Training and Technical Assistance. In carrying out his responsibilities under this Act, the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare where appropriate shall provide, directly or through grants, contracts, or other arrangements, training for specialized or other personnel and technical assistance which is needed in connection with the programs established under this Act or which otherwise pertains to the purposes of this Act. Upon request, the Secretary may make special assignments of personnel to public or private agencies, institutions, or employers to carry out the purposes of this section; but no such special assignments shall be for a period of more than two years.

TITLE IV

NATIONAL COMPUTERIZED JOB BANK PROGRAM

SEC. 401. Findings and Purpose. The Congress hereby finds that the lack of prompt and adequate information regarding manpower needs and availability contributes to unemployment, underemployment, and the inefficient utilization of the Nation's manpower resources. The Congress further finds that the development of electronic data processing and telecommunications systems has created new opportunities for dealing with this difficult problem. It is therefore the purpose of this title to enlist the tools of modern technology in a cooperative Federal-State effort to reduce unemployment and underemployment and more adequately meet the Nation's manpower needs.

SEC. 402. Establishment of the Program. The Secretary shall develop and establish a computerized job bank program for the purpose of:

(1) identifying sources of available manpower supply and job vacancies;

(2) providing an expeditious means of matching the qualifications of unemployed, underemployed, and disadvantaged persons with employer requirements and job opportunities on a National, State, local, or other appropriate basis;

(3) referring and placing such persons in jobs; and

(4) distributing and assuring the prompt and ready availability of information concerning manpower needs and resources to employers, employees, public and private job placement agencies and other interested individuals and agencies.

Maximum effective use shall be made of electronic data processing and telecommunications systems in the development and administration of the program. The program established under this title shall be coordinated with the comprehensive manpower program established under title I.

SEC. 403. Conduct of the Program. For the purpose of carrying out the program established in section 402, the Secretary is authorized to make grants to State or local agencies for the planning and administration of the program, includi[illegible]chase or other acquisition of necessary equipment. The Secretary may conduct the program on a regional or interstate basis either directly or through grants, contracts or other arrangements with public or private agencies and organizations. He may also

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conduct the program when he finds that a State or local program will not adequately serve the purposes of this title. The Secretary may require that any information concerning manpower resources or job vacancies utilized in the operation of job-bank programs financed under this title be furnished to him at his request. He may, in addition, require the integration of any information concerning job vacancies or applicants into a job-bank system assisted under this title.

SEC. 404. Experiments, Demonstrations, Research and Development. The Secretary may conduct directly, or through contracts, grants or other arrangements with public or private agencies or organizations, such experimental or demonstration projects, research and development as he deems necessary to improve the effectiveness of the program established under this title.

SEC. 405. Rules, Regulations, and Standards. The Secretary shall prescribe such rules and regulations, and standards as may be necessary to carry out the purposes of this title, including standards to assure the compatibility on a nationwide basis of data systems used in carrying out the program established by this title, and including rules and regulations to assure the confidentiality of information submitted in confidence.

TITLE V

ACTIVE MANPOWER POLICY AS AN ECONOMIC STABILIZER

SEC. 501. Findings and Purpose. The Congress hereby finds and declares that an active manpower policy can be a significant economic stabilization tool. The manner in which manpower program resources are used can enhance price stability when unemployment is relatively low and can help prevent increases in unemployment when the rate of economic advance slows down. The Congress further finds that a timely increase in available manpower program resources as an economic slow-down begins, can both ease the impact of unemployment for the affected individuals and reduce the pressures which tend to generate further increases in unemployment. It is, therefore, the purpose of this title to provide an automatic increase in manpower program resources in a timely manner when serious deterioration in the level of economic activity is reasonably anticipated.

SEC. 502. Extended Appropriations. (a) For the purpose of providing rapid action in situations involving excessive unemployment, until the Congress shall have an opportunity to act, there is hereby appropriated out of moneys in the Treasury not otherwise appropriated, and in addition to the sums heretofore appropriated to carry out the provisions of this Act during the current fiscal year, an amount equal to 10 per centum of such sums heretofore appropriated. Funds appropriated under this title shall be utilized, without regard to the apportionment formula prescribed in section 601, in financing training and related activities for unemployed individuals as authorized by title I of this Act which afford the most effective opportunity to alleviate the situation.

(b) Subsection (a) shall become effective only for that fiscal year during which the Secretary determines that for each of the most recent three consecutive calendar months ending prior to the date on which a determination is made, the rate of national unemployment (seasonally adjusted) had increased to 4-1/2 per centum or higher.

(c) During any fiscal year in which a determination is made under subsection (b) which requires an appropriation under subsection (a), no further obligation of funds so appropriated may be made subsequent to a determination by the Secretary that the rate of national unemployment (seasonally adjusted) has receded below 4-1/2 per centum for three consecutive months.

(d) Whenever the Secretary determines that the unemployment rate criteria prescribed in subsections (b) or (c) have been met, he shall promptly notify the Congress and the Secretary of the Treasury, and shall publish such determination in the Federal Register. At such time, the Secretary shall recommend to the Congress any further steps he believes appropriate.

SEC. 503. Conduct of the Program. The Secretary is authorized to make grants to or contracts with public agencies or private nonprofit organizations, or contracts with other private organizations for the purpose of carrying out the program provided for by this title. In carrying out this section, theSecretary shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, Commerce, the Interior, Agriculture, and Housing and Urban Development, the Chairman of the

Council of Economic Advisers, and the Director of the Office of Economic Opportunity. In order to achieve maximum economic stabilization effect, the Secretary shall develop and maintain (or cause to be developed and maintained) contingency plans for the expeditious implementation of the program aughorized by this title.

TITLE VI

MISCELLANEOUS

SEC. 601. Apportionment. (a) Seventy-five per centum of the funds appropriated to carry out the provisions of this Act (except titles II, IV, and V) and available for the purpose shall be apportioned to the States for grants under title I in accordance with criteria established by the Secretary: Provided, That no amount may be apportioned to any State which exceeds nine times the contribution made by such State in cash or kind to carry out programs authorized by title I. The Secretary may waive all or a portion of this matching requirement when he determines that special circumstances warrant such waiver. Apportionment criteria shall include the number of individuals in the labor force, the number of unemployed, and the estimated number of disadvantaged individuals as determined by the Secretary who reside in the State as compared to the number of such individuals in the Nation. The Secretary shall designate for use in any Standard Metropolitan Statistical Area or other area or areas within a State which he deems appropriate, a minimum share of the funds apportioned to the State under this subsection. Such minimum share shall be determined by the Secretary in accordance with the proportion which (1) the number of persons within the labor force and (2) the estimated number of disadvantaged individuals within such area bears respectively to the number of all persons within the labor force and all disadvantaged individuals within the State.

(b) Five per centum of the funds appropriated to carry out the provisions of this Act (except titles II, IV and V) and available for the purpose, shall for such period and in accordance with such regulations as the Secretary may prescribe, be available for further apportionment to States and areas for which an apportionment has been made under subsection (a) and for which additional contributions to such activities are being made by State or local public agencies or instrumentalities. Such additional apportionment shall equal $2 for each $1 of such non-Federal funds. An additional apportionment may be made to a State or area under this subsection only if the Secretary determines that in the conduct of programs assisted under title I, such State or area is complying with the standards of exemplary performance prescribed by the Secretary under section 102.

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(c) The Secretary is authorized to make reapportionments from time to time of the unobligated amount of any apportionment to a State under subsections (a) and (b): (1) to the extent that the Secretary determines it will not be required for the period such apportionment is available, or (2) where a State is not complying with a plan approved under section 104: Except, That no funds apportioned to a State under subsections (a) or (b) in any fiscal year may be reapportioned to any other State or for other purposes for any reason before the expiration of the ninth month of such fiscal year and only upon 15 days' advance notice to such State of the proposed reapportionment.

(d) Twenty per centum of the funds appropriated to carry out the provisions of this Act (except titles II, IV, and V) and available for the purpose, and such other available funds as are not apportioned to a State or otherwise required to be held available for apportionment under section 601(a) or (b) may be expended by the Secretary as he may find necessary or appropriate to carry out the purposes of this Act, including programs and activities authorized by title I. Notwithstanding any other provision, the Secretary may utilize funds subject to this subsection to conduct programs and activities either directly, or through such arrangements with public or private agencies, individuals or organizations as he may find appropriate. In conducting any programs described in section 104(b), the Secretary shall first obtain the concurrence of the Secretary of Health, Education, and Welfare.

SEC. 602. Publication of Apportionment Formula. As soon as practicable after the effective date of this Act, the Secretary shall publish in the Federal Register the apportionment formula established pursuant to section 601 as well as the percentage of funds appropriated to carry out the purposes of this Act which shall be apportioned to a State. The Secretary shall review such apportionment formula annually and at such other times as the circumstances may warrant and may revise or modify such formula. Whenever the Secretary establishes or revises such apportionment formula, he shall also promptly publish in the Federal Register the factors which he had considered in arriving at the apportionment, the weight ascribed to the various factors, and the statistical data found necessary in determining the apportionment.

SEC. 603. Advisory Committees. (a) The Secretary, in consultation with the Secretary of Health, Education and Welfare, shall appoint a National Manpower Advisory Committee which shall consist of at least ten but not more than fifteen members and shall be composed of men and women representing labor and management in equal numbers, the public in general and other groups interested in such activities as manpower training, employment, vocational education and vocational rehabilitation programs. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary concerning problems and policy relating to employment,

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manpower and to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this title, the Secretary shall, where appropriate, require the organization on a regional basis of labor-management public advisory committees.

(c) The National Manpower Advisory Committee may accept in the name of the Department of Labor and employ or dispose of gifts or bequests, either for carrying out specific programs or for its general activities or for such responsibilities as it may be assigned in furtherance of subsection (b) of this section.

(d) Appointed members of the National Manpower Advisory Committee shall be paid compensation at a rate of up to the per diem equivalent of the rate for GS-18 when engaged in the work of the National Manpower Advisory Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

SEC. 604. Intergovernmental Advisory Council. The Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, shall establish an Intergovernmental Advisory Council on Manpower

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to advise him with regard to matters involving intergovernmental relationships in the development and conduct of programs under this Act, including, but not limited to the assignment of manpower responsibilities among Federal, State, and local governmental units, apportionment of funds, designation of program areas, selection of prime sponsors, and State and area compliance with provisions of this Act. Members of the Council shall be selected by the Secretary from among governors, mayors, and other elected State or local public officials. In selecting members of the Council, the Secretary shall assure an equitable balance in the political affiliation of its members. The Secretary shall designate a Chairman of the Council. Members of the Council shall receive no compensation and shall not be Federalemployees for any purpose. They shall be allowed travel expenses and per diem in lieu of subsistence as authorized by 5 U.S.C. 5703 for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed basis.

SEC. 605. Reports. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training, and his recommendations for the forthcoming fiscal year, and the President shall transmit to the Congress within sixty days after the beginning of each regular session a report pertaining to manpower requirements, resources, utilization, and training.

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SEC. 606. Definitions. For the purposes of this Act, the terms--

(a) "Secretary" shall mean the Secretary of Labor;

(b) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(c) The term "United States" when used in a geographical sense includes all those places named in subsection (b), and all other places continental or insular, subject to the jurisdiction of the United States.

SEC. 607. Rules and Regulations. The Secretary may prescribe such rules and regulations under this Act as he deems necessary. Such regulations may include adjustments in any requirements of title I relating to elected officials of State and local governments, where such adjustments are necessary in light of the special status or governmental structure of such States, and may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968.

SEC. 608. Authority to Contract and Expend Funds. The Secretary may make such grants, contracts or agreements, establish such procedures (subject to such policies, rules, and regulations as he may prescribe), and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayments or under payments. The Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or an approved State plan. Any funds so withheld shall be available for reapportionment by the Secretary in accordance with section 601(c): Except, That funds withheld during a fiscal year to cover amounts expended in a prior fiscal year shall be available for immediate reapportionment.

SEC. 609. Acceptance of Gifts and Voluntary Services. The Secretary is authorized, in carrying out his functions and responsibilities under this Act, to:

(1) accept in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest or otherwise; and

(2) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

SEC. 610. Criminal Provisions. Title 18 of the United States Code is amended by adding a new section 665 to read as follows:

"SEC. 665. Theft or Embezzlement from Manpower Funds; Improper Inducement. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any agency receiving financial assistance under the Manpower Training Act of 1969 embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a grant or contract of assistance pursuant to this Act shall be fined not more than $10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever, by threat of procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under the Manpower Training Act of 1969 induces any person to give up any money or thing of any value to any person (including such grantee agency) shall be fined not more than $1,000, or imprisoned not more than one year, or both."

SEC. 611. Appropriations Authorized. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter such sums as may be necessary to carry out the provisions of titles I, III, IV, V, and VI of this Act.

(b) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1972, and for each fiscal year thereafter, such sums as may be necessary to carry out the provisions of title II of this Act.

SEC. 612. Limitations on Use of Appropriated Funds. (a) Funds appropriated under the authority of this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Federal Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(b) The Secretary is authorized to accept and utilize in carrying out the provisions of this Act funds appropriated to carry out other Federal statutes if such funds are utilized for the purposes for which they are specifically authorized and appropriated. To the extent that the provisions of this Act are inconsistent with the provisions of such other Federal Statutes, the provisions of the latter shall govern, except as provided under subsection (c).

(c) Pursuant to regulations prescribed by the President, where funds are advanced for a program to any agency assisted under this Act, any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single local share requirement may be established according to the proportion of funds advanced by such agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.

(d) The Secretary is authorized to vest in public or private nonprofit agencies, title to equipment purchased to carry out the provisions of this Act purchased with funds appropriated for the purpose, as he may deem appropriate.

(e) Funds appropriated to carry out titles I, II, III, IV, and VI of this Act shall remain available for obligation for one fiscal year beyond that for which appropriated.

SEC. 613. Advance Funding. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations for grants, contracts, or other payments under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the amendment made by subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

SEC. 614. Payments to Public Assistance Recipients. Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that no payment made to any person pursuant to section 109(d)(1) or 109(e) of this Act shall be regarded (A) as income [illegible] resources of that person in determining his need under such approved State plan, or (B) as income or resources of any other person in determining the need of that other person under such approved State plan. No funds to which a State is otherwise entitled under titles I, IV, X, XIV, or XVI of the Social Security Act for any period before the first month beginning after the adjournment of the State's first regular legislative session which adjourns more than sixty days after the enactment of this section shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of this paragraph.

SEC. 615. Labor Standards. All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276[illegible] The Secretary of Labor shall have, with respect to such labor s[illegible] the authority and functions set forth in Reorganization Plan [illegible] 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as ame[illegible] 40 U.S.C. 276(c)).

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SEC. 616. Provisions Affecting Existing Authorities. (a) The Manpower Development and Training Act of 1962, as amended (42 U.S.C. 2571 et seq.), is hereby repealed.

(b) Title V, Part A of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701 et seq.), is hereby repealed.

(c) Title I, Part B of such Act is amended to read as follows:

"PART B - RESEARCH, EXPERIMENTAL, AND DEVELOPMENTAL AUTHORITY IN THE MANPOWER AREA

"Statement of Purpose

"Sec. 120. It is the purpose of this part to provide authority for the conduct of research, experimental, and developmental activities focused on providing more effective means for dealing with the employment and employment-related problems of the economically disadvantaged.

"Activities Authorized

"Sec. 121. (a) The Director is authorized to contract with or provide financial assistance to public agencies or private organizations for the payment of all or part of the costs of developing and carrying out programs designed to further the purposes of this part. Programs assisted under this part shall be of an experimental, developmental, demonstration, or pilot nature and shall be structured in such manner as the Director deems will best equip them to yield information as to the relative effectiveness of various approaches (including new approaches and refinements or variations of traditional approaches) directed to the solution of the employment and employment-related problems of the economically disadvantaged. Such programs may include provision for supportive and follow-up services.

"(b) Notwithstanding the provisions of section 202 of the Manpower Training Act of 1969, the Director may, after consultation with the Secretary of Labor, carry out activities under the authority of this part which are of the type provided for in subsections (b) and (c) of section 215 of such Act.

"(c) In formulating plans for the implementation of this section, the Director shall consult with the Secretary of Labor, and, as appropriate, the heads of other Federal agencies.

"Technical Assistance and Training

"Sec. 122. The Director may provide (directly or through contracts or other appropriate arrangements) technical assistance to assist in the initiation or effective operation of programs under this part. He may also make arrangements for the training of instructors and other personnel needed to carry out programs under this part.

"Research and Evaluation

"Sec. 123. The Director is authorized to contract with or provide financial assistance to public agencies or private organizations for research pertaining to the purposes of this part. He shall also provide for the careful and systematic evaluation of programs related to the purposes of this part, directly or by contracting for independent evaluations, with a view to measuring specific benefits, so far as practical, and providing information needed to assess the relative potential of the various approaches employed in such programs for contributing significantly to the solution of employment and employment-related problems of the economically disadvantaged. In formulating plans for the implementation of this section, the Director shall consult with the Secretary of Labor and, as appropriate, with the heads of other Federal agencies.

"Special Conditions

"Sec. 124. Participants in programs under this part shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employment benefits, except that participants designated by the Director in projects and activities carried out by the Director pursuant to section 121(b) of this Act shall be deemed Federal employees to the same extent and for the same purposes as enrollees in the program conducted by the Secretary of Labor pursuant to title II of the Manpower Training Act of 1969."

(d) The amendment of the provisions of title I-B of the Economic Opportunity Act of 1964 and the repeal of the Manpower Development and Training Act of 1962, as amended, provided for in this section shall not affect any grant or contract entered into pursuant to such statutes prior to the effective date of this Act. Unexpended appropriations to carry out the authorities repealed under subsection (a) and the authorities provided in Title I, Part B of the Economic Opportunity Act of 1964 prior to its amendment by this Act shall, except as directed by the President, be made available to carry out the provisions of this Act.

SEC. 617. Effective Dates. (a) Titles I, III, IV, V (except section 502(a)), and VI shall become effective on July 1, 1970.

(b) Title II shall become effective on July 1, 1971, except for section 201(a), which shall become effective on the date of enactment of this Act.

STATEMENT OF GEORGE SHULTZ, SECRETARY OF LABOR
Before the Senate Subcommittee on Education, Manpower and Poverty
Labor and Public Welfare Committee
on the Manpower Training Act of 1969
November 4, 1969

Mr. Chairman and members of the Committee:

I welcome the opportunity to discuss with you the proposed Manpower Training Act of 1969. Through this legislation we hope to lay the foundation for a comprehensive national manpower system--one that can serve the needs of the individual and afford the States and localities a major role in manpower planning and program administration. The Manpower Training Act is evolutionary in the sense that it reflects a careful review of our experience with the policies and procedures that have guided national manpower training efforts over the past eight years. At the same time, the proposed legislation consciously seeks to break new ground by giving meaning to the concept of the "New Federalism" in a program area where heretofore administrative authority and control over resources have been centralized in Washington.

The Manpower Training Act does not contemplate an abdication of Federal responsibility. Instead, it creates a framework for a constructive partnership between Federal, State, and local governments. The beneficiaries of this new approach will be the individual who needs manpower services to enhance his opportunities in the labor market and the institutions of State and local government that have lacked the tools to cope with critical social and economic problems.

This morning, I would like to outline the major features of the proposed Manpower Training Act. However, to underscore the significance of the legislation, I think that it is important to describe briefly the development of our national manpower policies and the problems that have been manifested in the implementation of specific programs.

Background and Growth of Manpower Policies and Programs

From modest beginning in 1961, manpower programs have grown to major dimensions, encompassing classroom skill training for the unemployed, work experience for the young and the unskilled, on-the-job training for the disadvantaged in our urban slums, and a variety of other services.

The way these programs arose and the form that they took, contributed to a set of problems which have intensified with each passing year. In looking back, we can recognize that the multitude of manpower programs developed around three distinctly separate sets of concepts, objectives and constituencies.

The first significant manpower program, in the modern sense, was built into the Area Redevelopment Act of 1961. This legislation focused on the economic development of depressed areas through improvement of local public utilities and incentives to attract and establish new economic enterprises. The training of depressed area residents was viewed as a supportive service to the process of economic redevelopment. This supportive service was limited in scope. Only about 26,000 trainees were enrolled in the first two years.

In 1962, Congress addressed itself directly to the needs of the unemployed worker. The result of these deliberations was the Manpower Development and Training Act. This measure was a response to the persistent unemployment that characterized the economy at the time. One explanation for this condition was that unemployment was the result of pervasive technological changes that were wiping out old jobs and creating new ones. The solution was to provide the displaced workers with the opportunity to acquire new skills and expanded occupational mobility. The persons who were initially served by MDTA were those with a history of occupational attachment and active participation in the labor force.

In 1964, a new set of policy considerations was applied to manpower programs. These considerations arose from the civil rights revolution and the national commitment to a "War on Poverty". The legislative result was the Economic Opportunity Act of 1964 and its later amendments. This Act, particularly Title I-B, made manpower programs not only an instrument of labor market policy but of social policy as well. In essence, this Act created a mandate to expand work and training opportunities for the disadvantaged members of our population.

In 1967, special attention was given to the welfare recipient as a target group for manpower services through the enactment of the Work-Incentive Program under the authority of the Social Security Act.

Thus, since 1961, a complex set of manpower programs has been established; funded by different Acts and aimed at different client groups. Together, they affirm a National commitment to manpower policies and programs, and have resulted in the assistance of some 4.5 million individuals.

However, this pattern of development has also created major problems of concept and administration.

First, there has been a proliferation of categorical programs, each with its own statutory base, funding source, and eligibility requirements. Such categorization has built-in rigidities that frustrate efforts to allocate resources so that the overall manpower program is geared to local needs and circumstances. There is an over-riding concern with filling available slots for a particular program rather than developing the mix of services the individual needs to become a productive member of the work force and the community requires to cope with local problems.

Second, there has been an excessive duplication of administrative systems for the delivery of manpower services. Some programs are operated by public agencies, others by non-profit private organizations, and still others by profit-making companies. We have delivery systems involving the State Employment Services, Community Action Agencies, Community Development Agencies, Vocational Education Agencies, self-help organizations like the Opportunity Industrialization Centers, and a host of others. Although some competition is healthy and desirable, the duplication of services and agency responsibilities can become counter-productive. We have benefitted some by the experiments with different types of sponsors. However, we have also been overwhelmed by the sheer numbers who deal directly with the Federal Government and the complex administrative arrangements involved in each case. The Department of Labor is dealing with over 10,000 different sponsors in administering the various programs under its jurisdiction.

In a typical State for example, we deal with individual school districts in the Neighborhood Youth Corps In-School program; with City Halls and independent Community Action Agencies in the Neighborhood Youth Corps Out-of-School programs, and New Careers programs; with rural county governments or agencies in the Operation Mainstream program; State Employment Services and Vocational Education agencies in the MDTA-Institutional program; the Employment Service and Welfare departments with regard to the Work Incentive program; and with individual employers and unions for MDTA-OJT pre-apprenticeship and JOBS programs. Multiply this by 50 States and the dimensions and complexity of the problem become apparent.

Third, I believe that there is an overcentralization of manpower program administration in Washington. To the present, manpower programs have largely reflected Federal initiative and control, with little effort to tap the capabilities of governmental units at the State and local level. This problem is particularly acute at the local level where the chief elected officials--our Mayors and county commissioners--have little control over fiscal resources, program administration or the mechanisms for coordination, where they exist in any meaningful fashion.

Fourth, there have been few attempts to coordinate manpower programs with other complementary programs and institutions such as Vocational Rehabilitation, Vocational Education, and Welfare. The absence of effective coordination has meant that it has been difficult, if not impossible, for a State or a community to develop a plan that will encompass all the resources that are available--from various sources--to improve the prospects of the unemployed and underemployed.

Fifth, the categorization of programs has led to the development of inconsistent and competing training allowance systems. The result has been that trainees "shop around" for those programs with the "best deal", regardless of the relevance of the program to their particular needs. An unemployed teenager may enroll in a Neighborhood Youth Corps Out-of-School program because it offers him the greatest immediate income although institutional training in a specific skill would be more beneficial in opening up employment opportunities.

Last, manpower policies have not been used effectively to support fiscal and monetary policies in dealing with fluctuations in national economic activity. By attacking skill shortages and creating constructive alternatives for unemployed workers, manpower programs can help to mitigate some of the undesirable consequences of changes in any dynamic economy.

The Manpower Training Act

The proposed Manpower Training Act attempts to build upon the past commitments and achievements of the Congress in this area, while addressing itself directly to the major deficiencies described above. The legislation is far-reaching and complex but the salient features may be clearly identified.

1. Program Consolidation - The Manpower Training Act will consolidate manpower programs now administered by the Department of Labor, including those funded under the Manpower Development and Training Act and Titles I-B (Community Work and Training Programs) and I-A (Job Corps) of the Economic Opportunity Act. The Office of Economic Opportunity will continue its role in manpower research and program development through a new Part B of Title I of the Economic Opportunity Act. This authority will strengthen OEO's role in working with the Department of Labor to develop innovative approaches to manpower training.

The Work Incentive Program has been omitted from the Bill because it is an integral part of the Family Assistance Plan presently under consideration by the Congress as an amendment

to the Social Security Act. However, reciprocal language has been proposed for the Social Security Act and the Manpower Training Act to insure that the manpower component of the Family Assistance Plan will be linked closely with MTA's proposed system of administration, thus avoiding duplication.

2. Decategorization - The new Act eliminates the various categorical programs, with the exception of the Job Corps, and provides flexible funding for a comprenensive manpower program in each State and area. Job Corps is retained intact in recognition of its special program content and orientation.

By eliminating categorical programs, we can better direct our resources to the needs of the individual and the community. Each State and local plan can reflect special requirements rather than being warped by predetermined "slots" in particular programs with a predetermined mix of services.

3. Decentralization - The Act provides for the establishment of a consolidated manpower delivery system decentralized to the States and metropolitan areas. Such decentralization will take place as the respective Governors and Mayors demonstrate an interest in and administrative capability to plaa and carry

out manpower programs responsive to standards established by the Federal Government.

The system of decentralization spelled out by the Act permits considerable flexibility. The main elements are: (a) the unified administration of manpower services through designated State and metropolitan area prime sponsors; (b) an equitable distribution of resources among the cities and rural areas; and (c) the submission by States of annual comprehensive manpower plans responsive to local needs and national guidelines and priorities. The actual process of decentralization will take place in three stages.

The decentralized administration will go through the Governor who will have a number of primary responsibilities including (1) the organizing and maintaining of a State Comprehensive Manpower Agency which will be designated the State prime sponsor, and a State Manpower Planning Council; (2) designating metropolitan area prime sppnsors in cooperation with local heads of government; (3) determining the utilization of manpower program resources; (4) developing State comprehensive manpower plans; (5) assuring the provision of manpower services in rural areas and non-metropolitan areas;

and (6) evaluating and monitoring program performance.

At the State level, the consolidated manpower program will be administered by the State Comprehensive Manpower Agency--the State prime sponsor--responsible to the Governor. This agency is to be composed of the State public employment service, unemployment compensation agency and other State funded manpower agencies. At the State's discretion, it may include other agencies supported by Federal grants-in-aid, such as the Economic Opportunity Agency, Vocational Education and Vocational Rehabilitation.

The State Comprehensive Manpower Agency, will be responsible for preparing annual plans of service for review by the State Manpower Planning Council, for receiving funds under the Manpower Training Act and the Wagner-Peyser Act, and for determining or providing for the administration of those activities in the approved manpower plan. This agency will have authority to allocate resources, direct program operations, monitor performance, institute administrative changes to assure operational conformance with management decisions on resource allocation and program goals, and to otherwise manage the programs. The agency may "subcontract" specific activities and services but remains programmatically responsible and financially accountable for carrying out the approved plan of service.

A local prime sponsor will be designated by the Governor in each of the Nation's metropolitan areas. The local prime sponsor will be either the predominant unit of local government or another public body or private agency agreeable to the elected heads of local government in the area. In smaller communities and rural areas the Governor may designate suitable prime sponsors or arrange manpower service through his State manpower agency.

There are two methods by which metropolitan area prime sponsors can be designated. One method is for the Governor to designate a unit of local government within the geographic area. A second method is for the highest elected officials representing 75 percent of the population of the area to agree to select another public or private agency to serve as prime sponsor. In any case, the Mayors will have a strong voice in the selection of local prime sponsors and, through the local prime sponsors and advisory bodies, will have the key responsibility for planning and implementing manpower programs in urban areas.

Eighty percent of the bulk of the funds available under the Manpower Training Act will be apportioned among the States.

Seventy-five percent will be allocated through a basic formula system with a 90-10 matching requirement. An additional 5 percent will be available to match State resources on a 2 to 1 ratio. This 5 percent will be an incentive for States meeting exemplary performance standards. The remaining 20 percent will be retained by the Federal Government for use in national projects, research and development, and Federal administration.

Metropolian areas (Standard Metropolian Statistical Areas or other suitable areas) will be guaranteed a fair share of the State's apportionment, based on the proportion of the number of persons in the labor force and number of disadvantaged individuals residing in the area compared with the State total of such persons. This special "pass-through" provision in the Act assures an equitable distribution of resources to all areas, urban and rural.

The Bill would establish a three-stage decentralization of fiscal control. The States will assume direct control over apportioned funds in the following steps:

One - Full control of 25 percent of the funds when the Governor designates a "lead agency" and a comprehensive State manpower plan is developed and approved;

Two - Control of 66 2/3 percent when a State Comprehensive Manpower Agency is formed and local prime sponsors have been designated;

Three - Control of 100 percent of the apportioned funds when the State and its local partners meet established standards of exemplary performance.

In essence, we expect to shift money and responsibility as fast as the States and local communities are ready for it.

The Federal Government will continue to maintain stewardship over the program. It will determine standards, establish guidelines and priorities, and will continually evaluate performance. Until States and localities are ready, the Federal Government will be responsible for the distribution of State-apportioned funds and for carrying out parts of approved State plans as necessary, using apportioned and non-apportioned funds.

4. The Planning Process

The basic element in the comprehensive manpower services system is the State comprehensive manpower plan. The preparation of the plan will involve the Governor, State and area prime sponsors, the State Manpower Planning Councils, and Federal agencies.

The comprehensive manpower plan will constitute the State's assessment of the need for manpower services and the level and variety of services that will be required to meet those needs. Specific attention will be given to the problems of both rural and metropolitan areas. The plan will describe arrangements for providing services and how the various manpower program resources available in the State or area will be related to each other. The plan will be used as the basis for funding each succeeding fiscal year. It will also be developed on a multi-year basis so that it will provide Federal agencies with data for the programming, planning and budgeting cycle. Thus, the State plans will have a substantial impact on Federal planning for the future.

The State Manpower Planning Council will be responsible for reviewing plans prepared by the manpower agencies and other State agencies with responsibility for related services and for assembling the State's comprehensive manpower plan. It will advise the Governor concerning the best utilization of all manpower and related resources. The Council's recommendations will encompass not only the programs provided for in the Manpower Training Act but also those authorized by other Federal and State statutes and, to the extent practical, the activities of private employers and nonprofit organizations.

The State Manpower Planning Council must provide for broad representation from public and private groups with an interest in manpower programs. It will include representatives of state agencies administering or coordinating manpower training, employment, apprenticeship, general and vocational education, vocational rehabilitation, welfare, industrial development, labor, economic opportunity, human resource development, and other related programs, local prime sponsors, typical client groups, including low-income groups, to be served by the programs, and the general public.

The State Manpower Planning Council will have an independent staff. Any State plan or plan of service (or portion thereof) which is required to be submitted to the Departments of Labor or HEW which pertains to manpower (or related programs) will be reviewed by the State manpower planning organization. Such plans will be submitted, along with the recommendations of the Council to the Governor for approval. The Governor may revise the plan to assure that the various program components are complementary and that the allocation of resources best meets State and area needs. When the plan is implemented, the State Manpower Planning Council has the power to assess the operation of the programs and to convey these assessments to the Secretaries of Labor and HEW, the Governor and the general public.

The designated local prime sponsor is responsible for establishing an area comprehensive manpower planning advisory body. The highest elected executive official of each unit of local government served by an advisory body will have an opportunity to become a member of the body. The membership of the area advisory bodies will parallel that of the State Manpower Planning Council.

While the local prime sponsor bears responsibility for the preparation of manpower plans for activities assisted under this Act, the area advisory body, acting in a capacity similar to that of a local CAMPS committee, will coordinate the preparation of comprehensive manpower program plans for all manpower program efforts in the area, to the extent practical. Like the State Council, the area advisory body will give special attention to the development of a coordinated plan of action.

5. Allowances and Wages

The development of a comprehensive manpower services system also requires a uniform allowance system applicable to all training activities falling under the Act.

The basic allowance to individuals enrolled in a manpower training program will be based on the average weekly wage in employment covered by the State's unemployment compensation law. In FY 1971, the basic allowance will be 40 percent of such average weekly wage; in FY 1972-45 percent; in FY 1973 and thereafter it will be 50 percent. Trainees with family responsibilities will be allowed an additional $5 per week for each dependent, up to six dependents.

Workers employed in "work experience" programs will be paid wages at rates no lower than the lowest rate prescribed in the Fair Labor Standards Act. Workers undertaking employer compensated on-the-job training will be compensated at the higher of the applicable minimum wage rate or the prevailing wage rate for similar work in the locality.

6. Manpower Training as an Economic Stabilizer

In order to better integrate manpower policies with national economic policies, we have built into the Manpower Training Act a mechanism that automatically "triggers" additional funds that could be spent for training or work experience programs. The appropriate provision provides that in any fiscal year in which the national unemployment rate reaches 4.5 percent for three consecutive months, the Secretary of Labor could spend additional funds on authorized programs equal to 10 percent of the amount then appropriated under the Act for that year.

This trigger in the Manpower Training Act is complementary to the Extended Benefits provision included in the Unemployment Insurance Amendments that were passed by the House Ways and Means Committee. When the national rate of insured unemployment has risen to at least 4.5 percent for three months, individuals who exhaust their regular benefits would be eligible for up to an additional 13 weeks of jobless pay.

Both of these triggering provisions will serve to cushion some of the shock of a temporary rise in the rate of unemployment that occurs periodically in our economy. Under the terms of the MTA in particular, an unemployed worker could use this period to improve his skills through training. We should strive to minimize unemployment at any time, but if it does occur then manpower programs can provide a constructive alternative to many individuals.

Can our Governmental Agencies do the Job?

Clearly the successful implementation of the Manpower Training Act will depend heavily upon the willingness and ability of governmental units at the State and local levels to assume new responsibilities and the administrative support that can be provided by Federal agencies. The development of an effective Manpower Services System linking Washington with the states and the cities will not be an easy task. It will demand our best efforts at all levels. It is legitimate to ask whether there is a reasonable expectation that these efforts will be forthcoming. My own view is that there is encouraging evidence that governmental units are becoming increasingly responsive to the special demands associated with the administration of manpower programs.

At the Federal level, we have devoted much effort to overhauling the Manpower Administration of the Department of Labor so it can provide more effective support to field operations. Earlier this year, we reorganized the Manpower Administration by (1) abolishing separate program bureaus and creating a single unified operations arm, and (2) establishing a single line of authority to the regional offices and from the regional offices to the States. These actions should improve communication between the Federal government and State and local agencies while permitting expanded technical support and monitoring.

At the State and local levels there has been a recent wave of innovation. Many States and localities are reassessing their administrative structures for the delivery of manpower, anti-poverty, and welfare services. For example, in Utah a State Manpower Council has been established by legislative direction. The Council's primary mission is to coordinate and plan all manpower programs in the State. In California, a cabinet-level reorganization resulted in the establishment of a new Department of Human Resources Development with overall responsibility for job training and placement services for the unemployed and underemployed. Related developments have taken place in at least ten other States including Oregon, Michigan and Illinois. Similar trends are discernible in several major cities. I believe that the passage of the Manpower Training Act would provide the incentives and Federal commitment to decentralization of resources and authority that would stimulate widespread action by the States and cities.

The Changing Public Employment Service - In addition to assessing the willingness of units of general government to assume responsibility for the administration of manpower programs, we have a special interest in gauging the potential effectiveness of the Federal-State Employment Service System. Under the terms of the proposed legislation, it is expected that the State Employment Service will play a major role in the Comprehensive Manpower Agency and the delivery of manpower services at the State and local levels.

It is true that until recent years, the public Employment Service did not focus heavily on the needs of the disadvantaged population; but the same criticism could have been made of other established institutions. In fact, the Employment Security System is adapting to its changing role and mission. These changes have not been uniform, but the trend line is evident, reflecting a shift of Employment Service resources to serving the disadvantaged as well as its traditional clientele.

For example, in FY 1969 over 1.6 million disadvantaged applicants were served by the 2,400 local public employment offices. Disadvantaged applicants accounted for 48 percent of all Employment Service counseling interviews, about 58 percent of MDTA enrollments and higher percentages for other manpower programs. The disadvantaged accounted for nearly 18 percent of all non-agricultural placements in FY 1969. Since a uniform definition of "disadvantaged" was not adopted for Employment Service reporting purposes until April 1968, reliable comparisons with earlier years cannot be made. However, because the Employment Service has only recently initiated significant outreach programs that aggressively seek out the disadvantaged, we can assume that many more disadvantaged are being helped now than in the early Sixties.

There has also been a change in the staffing pattern of the Employment Service agencies enhancing the ability of these agencies to serve a disadvantaged clientele. A recent survey showed that minority group members now make up 14 percent of the staffs of the 50 State Employment Security Agencies, up from 12 percent two years ago. While overall staff increased nine percent during the two years, minority employees rose 30 percent.

Several other developments provide evidence of the expanded mission and capability of the public Employment Service:

The Employment Service has become the key deliverer of manpower services in the Concentrated Employment Program - A First generation effort at single program sponsorship at the local level.

The Employment Service is playing an increasingly larger role in our largest program--Job Opportunities in the Business Sector (JOBS). Present plans call for the full-time involvement of 1,000 Employment Service staff in JOBS during 1970. The staff will assist employers in drawing up acceptable JOBS proposals and providing follow up technical assistance.

A new Employment Security Automated Reporting System (ESARS) is being tested. The primary purpose of ESARS is to provide a reporting system based on individuals served. Data from this system will provide an improved means of "tracking" individuals and will facilitate the future planning and evaluation of programs and operations at the State and local level. Heretofore, this essential data has not been available at either the State or Federal levels.

The Employment Service is rapidly expanding its Job Bank System. The first Job Bank was established in Baltimore. Within months, the total placements of disadvantaged applicants increased from less than 20 percent to more than 50 percent of total placements in the geographic area served by the Job Bank. The system uses computers to provide all counselors and placement interviewers in the Employment Service and outside cooperating agencies with a daily listing of job openings in the area which are listed with the Employment Service or these agencies. Our target is to have 54 Job Banks in operation before this fiscal year is concluded and 76 by the end of Calendar 1970.

We are moving toward a far-reaching redesign of local office operations that will enable the Employment Service to meet its responsibilities to those who need limited assistance, while freeing personnel and other resources to provide intensive services to those with severe employability problems. The new design will rely heavily on computer-assisted job matching systems.

Lastly, we are making a major effort to provide unemployment insurance claimants with more job information directly from the U. I. office, thus easing the burden on the Employment Service. At the moment, we are trying out this approach in five cities. We are requesting resources to make the new approach operational in the 55 largest metropolitan areas in fiscal year 1971. These areas account for about half of the total U. I. caseload.

These changes have been initiated as part of a general strategy and with the active cooperation of the Employment Security agencies. The Manpower Training Act is the crucial legislative ingredient that will give broader meaning and substance to these improvements.

In his Manpower message to the Congress earlier this year, President Nixon suggested that manpower training must be looked upon with "new eyes". We have done this and gained a wider perspective on national manpower policies and programs. The overall record of these programs has been positive and substantial in the past. Through the Manpower Training Act we hope to expand these achievements. The ultimate objective of the MTA is not to enter into a period of bureaucratic bliss but to provide more effective services to the individuals and communities that need them. If we do this, and at the same time forge a partnership that will help to invigorate established institutions of government, this will be a major achievement for the Congress and our manpower programs.

TOWARD A MEANINGFUL MANPOWER POLICY: A CRITIQUE OF THE PROPOSED MANPOWER TRAINING ACT OF 1969

The manpower policies and programs of the United States have grown both in size as well as complexity in the last several decades. They reflect the changing and maturing nature of our national understanding and posture on the development of our human resources and a search for an integrated human resources development policy.

Manpower policies must also relate to other aspects of social policy. Obviously the linkage between manpower and income maintenance, for example, must be more carefully developed than simply providing a general incentive to train welfare recipients for jobs. Health, education and other supportive services must be carefully linked. The administrative and intergovernmental system through which manpower services are to be designed and administered must be attuned to the differences among communities and individuals and must be responsive to both.

As Dr. Sar Levitan and Dr. Garth Mangum write in the concluding chapter of their book on "Federal Training and Work Programs in the 1960's:

> Communities can accomodate federal and local (manpower) goals only if both are clearly articulated and neither has been. Unification of the federal manpower programs into a single funding source might facilitate a clear statement of goals from which guidelines could be developed. With that beginning, it would seem advisable to distribute the bulk of federal manpower funds through the states by formulas based on need, allowing considerable discretion in the use of funds within federal guidelines and in pursuit of national goals adjusted to the pecularities of local conditions; there should be, however, federal review and monitoring to see that guidelines are followed and appropriate goals pursued.

The absence of such a policy and particularly a comprehensive policy was noted in many quarters. The Joint Economic Committee of the Congress said, in its 1969 report:

> There is an urgent need to reorganize manpower programs to provide comprehensive coordinated assistance that the disadvantaged need and to carry that assistance through until the individuals are fully supporting.

In concluding his policy paper on"Jobs and Income for Negroes, Dr. Charles Killingsworth concluded that:

> The policy problem is much less one of selection from among competing programs than it is one of coordination of complementary approaches.

Congressman James O'Hara, a leading Congressional advocate of manpower programs noted, in a speech before the Industrial Relations Research Association, that:

> As 1968 begins, we are looking forward to a total annual investment of $3 or $4 billion in the area of manpower training. And yet, we still have nothing that can fairly be assessed as a manpower policy. We have no broad, overall manpower institutions.

The Manpower Report of the President transmitted by the out-going Johnson Administration found that:

> As long as the manpower program is constrained to operate within a framework put together on a piecemeal basis, just so long will it be unable to achieve full effectiveness in providing the kinds and amounts of services each disadvantaged person may need to become employable . . . Effective action to overcome the roadblocks imposed by categorical programs would be aided by new legislation--a comprehensive manpower act providing a single, consolidated legislative base for planning, developing, administering, coordinating, and evaluating a nationwide manpower program designed to meet the needs of all Americans.

Thus the question is not the need for a comprehensive policy but how such a policy should be developed and implemented and which its major tenants should be.

This critique of the Manpower Training Act of 1969 as proposed to the Congress by Secretary of Labor George Schultz on August 12, 1969 offers one analysis of the policies and goals reflected in the Act. It focuses primarily on the role of manpower programs in providing services to the chronically underemployed and unemployed and has some bais for the preservation of innovative and community based efforts to deal with human resource development.

Manpower Goals

In considering the formulation of manpower policy, it is well to recognize that three related but somewhat mutually exclusive principles lie behind existing manpower legislation.

First, there is the principle of full employment in which we seek to provide each man with, in the language of the Employment Act of 1946: "useful employment opportunities, including self-employment, for those able, willing and seeking to work, and . . . maximum employment, production and purchasing power."

This principal asserts that jobs must be developed and training opportunities provided which will allow each man to maximize his opportunity for meaningful employment and economic advancement.

A second principal, that of economic growth, is based on a recognition that as our economy grows and changes, the mix of skilled and semi-skilled individuals that it will need is constantly changing. Thus manpower and training programs must be designed to provide an adequate supply of manpower trained in the proper skills to feed our national economic machine. This principal assumes even more importance as we look ahead to the decades of technological change and automation.

The third principal is that of economic opportunity which recognizes that even the successful operation of the economy with an increasing gross national product will not provide sufficient training nor remove the real barriers to employment for all our citizens. The institutions of society charged with the preparation of our citizens for the world of work vary in their quality and their effectiveness in each state and community, and in their impact on each individual. Because of a series of cyclic barriers, many of our citizens, and particularly our young people, are experiencing increasing difficulty in finding meaningful employment and in receiving the education and training they will require. Thus this country on the one hand is faced with an increasing pool of hard-core unemployed and sub-employed which may, in specific groups and particularly among young people in the urban centers, reach 30% of the work force. Department of Labor figures indicate that one out of every ten workers is sub-employed. Of the 11 million persons living in poverty, 7 million possess inadequate education and training to successfully compete in the present economy.

As the saying goes, the poor are the last hired and the first fired, and therefore subject to the fluctuation of the economy, unable to secure for themselves the training and education they will need to assure a more stable relationship and a more permanent employment situation. On the other hand the economy is faced with a growing shortage of individuals with particular skills. Even if this country were not at least theoretically committed to full employment and the elimination of poverty, it would be in its own self interest to provide effective manpower training programs for the hard-core unemployed and sub-employed if only to further the growth and development of the economy and the material wealth and well-being of this nation.

This issue is not so simple as "making tax payers out of tax eaters." Nor is it a matter which can assume any but the highest priority in the national policy framework. If we are to make social progress and achieve economic and political justice, then employment and a meaningful job with a future becomes an essential right of all Americans. If we want to move toward a society in which all citizens participate in the life of their communities in a constructive fashion, if we are to avoid the domestic violence of the past several years, then we must indeed give new emphasis to efforts to provide meaningful employment. The Kerner Commission in examining the causes of domestic violence reminded us that a good job remains "the traditional test of participation in American society."

The essence of these comments is that effective manpower and training programs particularly for the unemployed and the sub-employed have priority implications which go far beyond their program boundaries.

Manpower Conclusions

A number of conclusions have emerged from present manpower programs, particularly from those developed and operated in the 1960's which should guide the evaluation of new manpower legislation.

1. Chronic unemployment and sub-employment are substantially the end products of a complex cycle of social and often physical and emotional barriers which cannot be overcome simply by the availability of a job or training opportunities even if the job is meaningful and has a future.

2. Agencies and systems designed to deal with chronic unemployment and sub-employment must be responsive to and understanding of the people whom they are serving. These institutions must plan their efforts and administer their services in a fashion which affords individual dignity and the opportunity for those served to have a role in the design and execution of manpower programs.

3. Increasingly, in response to technological change and the shifting nature of the economy, society has an increasing number of jobs which must be performed but which do not currently pay a sufficient wage to allow individuals to support themselves and their families by performing this labor. In the interest of human dignity through meaningful and gainful employment, the economy may have to subsidize the wages of these tasks in order to take care of its own needs as well as to afford dignity and economic independence to the workers involved. The Administration's proposal to relate manpower with income support programs, particularly by assisting the working poor, speaks to that issue.

4. As the need for public services increases, the need for additional public service employees will grow way out of proportion of the ability of public service employers to raise funds or to competitively match salaries and wages. The situation offers a unique opportunity for the creation of jobs in the public sector if structural barriers to employment of the unemployed and the sub-employed are removed and if financial assistance is available. The unskilled and the underskilled will traditionally be the last hired and the first fired and thus public service employment also assumes the "last resort" position if continued gainful employment is seen as a goal of the economy.

5. Every community and every state and every person in our Nation differs from every other. No single and monolithic set of institutional relationships can be applied uniformly. The unique strengths and weaknesses of each institution in each community must be mobilized to develop an effective program.

6. A system designed to service the economy and provide job opportunities must have the capability of delivering all services which will overcome the barriers which really exist and to do so in an integrated and mutually reinforcing fashion. It is not in the interests of the country to create and support a series of independent functional enclaves, each with its own independent planning and decision-making structure. Vertical fragmentation is no remedy for horizontal dispersion.

7. This Nation's intergovernmental relations goal should be the creation and support of locally operated coalition planning and decision-making systems which successfully integrate various functional areas rather than monolithic parallel functional superstructures. Comprehensiveness of approach across functional program lines is essential: the splendor of uniform institutional relationships for the sake of uniformity is not a virtue.

8. The ability of institutions to perform effectively can improve over time given proper opportunities for the process of change to occur and for the introduction of new techniques either outside or within that institution. Countervailing force and constructive confrontation and competition are tools in this process.

MAJOR STRENGTHS OF THE BILL

Comprehensive Legislative Authority

A comprehensive approach to manpower programs requires comprehensive legislative authority which is simplified and which can be the basis for designing and administering manpower programs effectively. Although the purposes of the Act as expressed in Section 2 appear to rest primarily on the principles of economic growth and full employment rather than the principle of economic opportunity, the consolidation and restatement of this nation's manpower objectives and the development of a better legislative base from which to develop manpower programs is desirable and in fact essential to any progress.

Comprehensive Manpower Services

The stating of a broad range of manpower services as outlined in Title I in lieu of narrowly and often rigidly defined programs is beneficial. The Congress, however, will need to have effective legislative surveilance over the manner in which this authority is utilized, to assure that all population groups and particularly the disadvantaged receive their needed share of funds and resources and that the different target groups of manpower programs have their needs met in a responsive fashion. In giving up the identification of specific manpower programs, the Congress grants the Labor Department significant discretionary authority. Congress must retain surveilance in the exercise of this authority.

The fashion in which the existing flexibility under Title I-B of the Economic Opportunity Act has been exercised is the basis of some concern. In effect, the Labor Department reduced by one-third the number of enrollees in the Neighborhood Youth Corps Program in order to free-up in excess of $30 million to finance a new program in the Public Service Careers area. This cutback occurred by an across-the-board rule that 18-year-olds could no longer be enrolled in the Neighborhood Youth Corps program. The funds were cut back before the new alternative program for 18-year-olds and above was in place and operative. This left local program operators in a very difficult position of having to refuse to accept youth for the program and not having a replacement program to offer. The sense of timing and transition which the Labor Department used and its flexibility in this instance as well as in the closing of the Job Corps facilities is questionable. The reorganization of manpower programs must be conducted in a fashion which is much more sensitive to the impact of programmatic decisions at the community level and on the lives of the individuals affected if the granting of such needed discretionary authority is to be continued. Congress should grant sufficient flexibility to erase restrictive barriers in program authority and to permit the design of comprehensive approaches to manpower and training.

Role of State Government

Efforts to increase the ways in which state government and particularly governors can play a constructive role in manpower programs should be improved. The involvement of the states in mobilizing related resources which are presently operated through the states is particularly desirable. The creation of additional leverage through which the governor can act as a policy and operational coordinator of manpower resources which the state administers is equally necessary. A system which requires and encourages excellence in performance and permits variations in state role depending on those factors is wise. The decision-making role of the states under this Act is, however, open to question as will be outlined later.

Providing governors with additional resources with which to knit together resources at the state level and to perform some planning roles is indeed consistent with the operation of effective manpower programs. The establishment of advisory policy-making groups at the state level which include local public and private manpower training and employment programs including prime sponsors, local comprehensive area manpower planning agencies, and typical client groups responds to the desperate need for new forms of citizen participation at the state level.

Role of OEO

The involvement of the Office of Economic Opportunity to the extent reflected in the bill in policy and program decision-making under this bill is appropriate. This role, however, should be strengthened even to be consistent with the definition of the role of OEO outlined by President Nixon.

Data Collection, Research and Evaluation

The expansion of the collection of data and the conduct of studies as outlined in Title III of the bill is needed. Expanded and better quality data as well as expanded evaluation of manpower programs will be needed if the Nation is to continually move forward in the design and support of job opportunities. This authority should be exercised in a fashion which allows for greater involvement of groups which are affected by manpower programs and a greater value on the opinions and judgements of those responsible for the operation of manpower programs. From time to time the Labor Department has exercised a "trusteeship complex" in dictating detailed decisions to local sponsors and developing policies including criteria for evaluation without the involvement of those who operate programs at the community level or those who are affected by programs in the manpower field.

Job Bank

The application of computer technology in the job field and the general provisions in Title IV of the proposed Act are desirable. The operation of this system should be effectively integrated with the overall manpower system as outlined elsewhere in the Act. It bears no more special right to be operated at the national level without effective linkages to local manpower systems than any other aspect of job training. The experience in a number of communities is that job matching must be developed from the bottom up, not the top down. Although leadership from the Labor Department will be necessary, it cannot and should not attempt to assume an exclusive role in the design and operation of job matching computer-based systems as outlined in Title IV.

The Job Bank should not, of course, become the unwitting weapon by which insensitive bureaucrats impose new forms of harrassment upon poor people. In such a 1984 world, the Job Bank could be used in a very unhumane fashion in making that crucial decision of whether or not a particular job is suitable to a welfare recipient and thus whether or not they must accept that job or face a cutoff of welfare funds. Careful and sensitive guidelines must be provided if abuse is to be prevented.

The Labor Department has developed an individual employability model under which a hand tailored plan is developed for each person to provide a mix of training, education and the other services necessary to remove barriers to employment and to place him in a firm position to succeed. The computer can expand the capability of agencies to perform this process, but it can also be a toll which sentences individuals to economic slavery or hunger. The application of job matching techniques must be used with a good deal of social safeguards so that we do not enter an era in which the poor, unable to understand the computer card, the printout, and the software program, are treated in a fashion which is inconsistent with their rights as individuals and their feelings as human beings.

Trigger Mechanism

The trigger mechanism outlined in Title V of the Act recognizes that in times of economic fluctuation, manpower programs must be able to respond as an economic device. There will not be time to pursue a legislative process if countervailing measures are to be applied in sufficient time to be effective. The provisions of the bill should be expanded to provide for a reallocation of existing funds if sudden developments in a particular state or community drastically change its manpower needs. Linking the trigger mechanism entirely to a national unemployment rate of 4.5% may make it too unresponsive to sudden critical developments. As in the case of Title IV programs, any funds made available should be operated through the manpower system including local prime sponsors which are already operating. The comprehensive system of decision-making and manpower responsibility which the bill establishes provides a partnership among Federal, state, local governments and public and private agencies. This well-oiled system should certainly be employed in times of stress and should be used as a direct mechanism for the use of funds made available under the terms of Title V. The Secretary may need to direct the use of those funds for maximum impact by allocating them to particular parts of the country, aspects of the economy, or types of jobs which have the greatest multiplier effect, but the operation of programs financed under funds freed by the trigger mechanism should be through the normal machinery established for manpower programs rather than through any hastily created systems.

Advisory Committees

The establishment of various advisory mechanisms to insure systems through which integrated and coordinated manpower policies can be developed is a potentially useful step. The participation provided through these various mechanisms in the past for the beneficiaries of the programs and their advocates and for the operators of manpower programs at the local level has been inadequate. Although various kinds of programmatic constituencies need to be represented, the presence of representatives of persons who operate and are served by manpower programs is equally valuable. The Federal government has a long way to go before it sufficiently involves these kinds of concerns in its various advisory systems. In the manpower field it is particularly important to offer greater involvement and greater participation than is expressed in the current legislation.

Authorizations and Appropriations

The authorization authority for programs to be financed under this Act should be increased over current levels. In order to insure these increases, it would seem wise to prescribe a continuing increase over a five-year period. The Advisory Commission on Intergovernmental Relations, which has studied the grant-in-aid programs of the Federal government, recommends that each grant-in-aid program should enjoy a five-year Federal committment. The Commission feels that this is the time period needed to provide some messure of stability and continuity for the program and to provide a reasonable time during which the Congress can assess the effectiveness of the program. To assist orderly program planning at the Federal, state, and local level some indication of the order of magnitude of the funds which will be available should be expressed in the bill. Pending any messianic developments in the employment and training situation within our nation, appropriations at the $5 billion-a-year level by Fiscal 1975 are in order. A series of increases in the support for training programs over that period to that level is urgently needed. The Administration's welfare plan alone would create some new demand for manpower and related supportive services.

Advance Funding

The provisions of Section 613 which permit advance funding so that a better transition can be established from year-to-year are essential so that manpower programs can be better managed without the uncertainties of the Congressional funding process. As the studies of the General Accounting Office with regard to Economic Opportunity Act programs have indicated, the Congress itself by the annual delay in appropriations is a significant cause of the inability of local agencies to effectively plan and manage human resource programs. The Congress will serve the best interests of the people and provide the best use of available Federal funds by supporting advance funding for grant-in-aid programs.

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MAJOR WEAKNESSES OF THE BILL

Having outlined the major strengths of the Manpower Training Act, it is now appropriate to discuss the weaknesses of the proposal. These weaknesses arise in the areas of intergovernmental relations, the role of the states, the selection and role of the local prime sponsor, the role of the Office of Economic Opportunity in manpower programs, and expansion of the public service employment provisions of the bill.

Intergovernmental Relations and "The New Federalism"

In his nationally televised address on August 8, 1969, President Nixon outlined his "New Federalism" approach to domestic programs. The essence of the new federalism was very much like the essence of the "Creative Federalism" of President Johnson. The essence and the reality are substantially different.

In defining the need for the new Federalism, President Nixon said: "After a third of a centruy of power flowing from the people and the states to Washington, it is time for a "New Federalism" in which power, funds, and responsibility will flow from Washington to the states and to the people."

When one examines the specifics of the administrative and legislative proposals advanced by the Nixon Administration, one cannot help but feel that although the President may have the desire to give greater power to the states, he does not necessarily have the intent of giving more power to the people.

Over the past several decades this country has sought to "consolidate" programs with limited success. The Congress continues to respond to a series of "problem" or "cause" constituencies each supporting the allocation of national resources for the problem or problems with which they are concerned. Thus efforts to glue together related national efforts legislatively and often even administratively are thwarted or opposed by those who fear that their particular constituency's interests will not be protected.

Current Administration legislative and administrative proposals seem to reflect a policy of consolidating program areas within a limited number of functional fields, i.e. manpower, health, transportation, housing and the like. The Administration's grant consolidation proposal, for example, would allow consolidation only between and among directly related programs. This vertical approach to program coordination can produce a nice neat arrangement and seemingly a reduction in the current jungle of Federal grant-in-aid programs. But it will not necessarily produce a coordinated effort from the point of greatest importance -- impact in a given community. It may, in fact, escalate the level of coordinative warfare at the local level.

One of the key elements, for example, in the design of the community action agency was its comprehensiveness, namely that it was able to reflect concerns in a wide range of problem areas. As the Economic Opportunity Act expressed it:

> It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to life in decency and dignity.

The charter of the community action agency was to mobilize all available resources and efforts to deal with the causes of poverty as they existed in a given community. This called for a horizontal approach to program coordination in which efforts were to be pulled together on a geographic basis within the confines of a given community.

The development of monolithic agencies in a series of functional program areas may produce clean structural lines, but it may not produce meaningful coordination or integration of effort from the standpoint of the consumer of the services. It would seem more desirable to approach the question of horizontal coordination with at least equal fervor. The boundries of that quest should not be compartmentalized into a series of functional ghettos, but rather range over the full scope of the problems of people in our society.

The Manpower Training Act establishes a vertical pipeline for the delegation of authority in manpower programs which flows from the Department of Labor to the state and then to a local prime sponsor. The bill seeks to reflect a unitary vision of the relationships among the levels of government. The facts are that the Federal and state governments each possess some independent power and authority and that a triangle rather than vertical pipeline is a more accurate picture of the relationships that should exist. The central issue is how can manpower programs and operations be made most effective at the point of impact i.e., the local community. The bill seems to reflect a desire to produce a nice neat arrangement of uniform agencies and relationships in every state. It gives the appearance of seeking to reduce the current jungle of Federal grant-in-aid programs in the area of manpower, but the essential coordination challenge lies at the local level. The bill should provdie that the state and Federal governments should work together with local agencies to get the money directly to the point of impact rather than to hand it down a pipeline minus handling charges at each level.

By seeking a structural commonality along vertical lines, the Act hardens the functional boundaries of its concern, and seems to divorce delivery of manpower services from more comprehensive agencies. The bill takes a very deliberate step in favor of vertical instead of horizontal coordination. It would seem appropriate that this country select an overall intergovernmental relations strategy and pursue it in all program areas instead of continuing the practice of different and often competing theories and goals.

In short, the Act is deficient in its treatment of horizontal coordination. The creation of local advisory panels, like the CAMPS committees which proceeded them, will not provide interfunctional coordination. Advisory committees of the vested interests in manpower programming are incapable by their focus of bringing about a comprehensive strategy in the field of human resources.

All Federal aid programs should be moving toward stimulating an inter-functional planning and decision-making process in each community. The local community should be asked to develop and present an integrated program of human, social, and physical activities on a year-to-year basis, much in the fashion of the concept of the Model Cities Program, with all Federal and state Departments responding to that program in an integrated fashion. The Federal Government cannot divorce itself of responsibility for horizontal coordination by delegating funding decisions to the states. It must conduct itself in such a fashion as to support the ultimate goal -- strong viable community participation, planning, and decision-making processes, not structures -- which are able to develop relevant statements of goals, utilize the best of local institutions based on ability, and delivery of services without presupposed Federal notions or biases.

At a minimum, the solidification of manpower training activities and the development of a new and even more powerful vertical enclave of narrow interests seems premature. Instead of harnessing instruments such as CAA's which are able to be comprehensive and to integrate various aspects of human services, the Act supports the establishment of monolithic manpower-only oriented mechanisms. The Act, for example, does not address the relationship to other functional areas of concern except by the provision of "advisory" committees. It is clear that the mainstream of decision-making will run through only the vested interests of manpower.

Role of the States

A second area of concern is the role which the bill envisions for state government. As indicated earlier, increased involvement of state government and the development of planning and coordination capabilities at the state level is highly desirable. However, it does not seem desirable or appropriate for the governors to designate local prime sponsors in most cases or for the states to be the processor or the packager of local program proposals under a state plan.

Program responsibilities should be so arranged as to provide rapid and direct decentralization to the local level with provisions for the Federal and state governments to work together with the local community rather than through a hierarchical arrangement which seems more time consuming, complex, and costly. In providing for a traditional state plan approach to program administration, the bill seems to ignore some of the history of grant-in-aid programs and misses the opportunity for encouraging states to move into more meaningful roles than grant processing.

The history of Federal grant-in-aid programs which have been administered through the state plan demonstrate that in many cases, if not in fact most, state plans have simply become a new layer of earmarked programs, difficult to change, encased in administrative law, and the object of legal protectionism instead of programmatic response. The hard program lines which now apparently limit flexibility and program design at the Federal level may well be replaced in state plans and thus the end goal of the law may in fact be defeated. Categorical program approaches which started in Federal law may soon find themselves embodied in state plans. The framers of state plans may start with a desire to remain flexible, but may soon find themselves creating categorical views of programs much like the familiar lingo of Federal guidelines.

Discussion of the state role question should start with the presumption that there is no single common state role. All states are different and are able to perform different types of roles and are needed for different roles depending on the strength of local institutions. It is also essential to accept that the long-range goal of all institutions should be to strengthen the ability of the institutions "below" them so that they are better able to produce services and provide decision-making opportunities close to the people. As the nation and its fabric of institutions grows more complex, it is essential in the search for the "sense of community" that a "community" be as close, identifiable, and accessible to the people as possible.

The Act gives to the state the dual planning and fund administration role as well as the right to select local planning mechanisms. Each of these roles will be analyzed in turn remembering that there should probably be 50 different state roles with no two exactly alike. The Act does, appropriately, provide different levels of state power, from 25% to 100% of fund control depending on the fulfillment of different measures of responsibility and the achievement of excellence. Noting the current lack of scientific successes in the measurement of program excellence, that goal may be harder to achieve in practice than in theory.

The States can and should be seen as a level of decentralization of program authority which is closer to the people than the Federal Government or its regional offices. It is unnecessary, however, to provide administrative processing machinery at the state level so that multiple transfers of funds must occur before it reaches the ultimate recipient, minus handling charges. Instead of seeing the state and Federal Governments as part of a unitary structure of government with all power flowing from the Federal Government, it is more appropriate to remember our Federal system of government -- that each level has certain independant powers and thus they should function in tandem rather than in a hierarchical configuration.

Planning, decision-making, and operations are essentially local responsibilities as they should respond the the particular problems and opportunities of the local community which are known better at that level than at higher geographical levels. The State and the Federal Government should be partners in working directly with the local community rather than handing the responsibility down the line. The State governments control particular responsibilities and resources -- particularly in the fields of education and health -- which must be brought to bear in developing economic and job opportunities. States invest substantial resources in economic growth and development through industrial development bonds, regulation of utilities, and other efforts. These too are related to job opportunities.

Why not allow communities to develop manpower programs without these categorical restrictions at either the state or Federal level and then provide for a coordinated review process involving both state and Federal agencies. There is an obvious need to pull together state agencies with manpower related responsibilities and the new state agencies called for in the bill could be very effective in reviewing and assisting in the development of local human resource programs.

Additional aspects of the state role, not all of which are addressed by the present legislation, should include:

1. Planning responsibilities related to the overall development of the economy and society of the state with particular concern for intra-state and inter-state phenomena which affect manpower programming. It need not be a packager of programs to accomplish that end.

2. Providing local technical assistance, evaluation and review in the development of local manpower programs.

3. Administration of manpower programs which must be performed on an inter-area basis or with uniform consistency throughout the state such as unemployment compensation.

4. Assuring the effective operational and resource coordination of related programs and activities which are administered at the state level.

5. Development of policies and plans on a state basis including the development of complementary state roles and resources.

In terms of program funding, the state should be seen as a part of a team with the Federal government in reviewing local plans and providing resources for locally developed programs and not as the delegate funding administrator of Federal resources. Obviously, some states will be willing or able to perform more or less than this role. But the state role should be increased administratively only in so far as it is consistent with the development and exercise of local responsibility.

At the same time, emphasis should be placed on toning up the institutions of state government to play its role effectively. State legislatures, for example, are not normally seen as a relevant forum for the discussion of local needs. Angry delegations to Washington are more frequent than presentations to state legislative committees. Part of this problem is one of time for change and the provision of adequate staff, salaries, and logistical support to make the state legislative process thoroughly meaningful. If it does not become a more relevant modern decision-making process, it will never develop its full potential, and even the most aggressive governor will be impeded by a horse and buggy legislature. Reapportionment will help, but public attitudes and political leadership are also equally important.

In summary, there should be no uniform "state role" which either guarantees a level of power inappropriate for those who would misuse it or limits the role and capability of those states which wish to develop a strong capability. The Federal government must develop the capability of dealing with states on an individual basis and state and Federal governments must both develop a capability of dealing with local communities on an individual basis.

Local Prime Sponsor

Title I-B of the Economic Opportunity Act now provides in Section 121 that:

> The Director shall designate or recognize community program areas for the purpose of planning and conducting comprehensive community work and training programs . . .

It also provides, in Section 122, that:

> For each community program area, the Director shall recognize a public or private non-profit agency which shall serve as the prime sponsor to receive funds under Section 123 . . . This agency must be capable of planning, administering, coordinating, and evaluating a comprehensive work and training program . . . The prime sponsor and delegate agencies shall provide for participation of residents of the area and members of the groups served in the planning, conduct, and evaluation of component programs.

The Department of Labor, under the terms of the Delegation of Authority and Memorandum of Understanding with OEO holds the right to make such designations with the provision that the Community Action Agency shall be the presumptive sponsor wherever it is able and that the state employment service shall be the presumptive deliverer of appropriate manpower services.

This present provision already provides much of the theory of a local prime sponsor apparently sought by the Labor Department in its new legislative proposal. Considering that this amendment was enacted in 1967 and that few if any areas are yet fully functioning under its provisions, it is impossible to avoid the conclusion that in seeking to establish a prime sponsor by some other means, the desirability of shifting away from the community action agency is at least a part of DOL's agenda. If the goal were only to have local prime sponsors to effectively plan, administer, coordinate and evaluate manpower programs in that area, then the legislative provisions are already available. If the purpose were only to provide for full utilization of the talents of the state employment service, adequate provisions already exist. Why then change to a new generation of prime sponsors chosen primarily by governors and therefore without any direct sense of responsibility to the local community they are to serve? If the Department were purely interested in the consolidation of responsibility at the local level, why is it not pursuing present provisions unless it has its own agenda of what kind of agencies should be local sponsors irregardless of local preference? Why should governors select the institutions to serve local communities with only perfunctory local involvement?

It seems there are two essential questions:

1. How should the prime sponsor be selected?
2. How should the prime sponsor relate to the present general of prime sponsors established under the CWTP program and other local groups and agencies?

The Department of Labor's desire to have manpower programs at the local level coordinated through a prime sponsor is worthy of strong support but the process by which the selection should be made is certainly questionable. Under the present provisions of the bill, the local prime sponsor will be selected by the governor in at least 75% and perhaps 90% of the cases.

The prime sponsor must have an accountability relationship to the local community and the area served rather than to the governor. The prime sponsor is a local institution and thus should be selected by and held accountable by the local community. Under the bill's provisions, the governor designates the local prime sponsor, unless chief elected officials of bodies representing 75% of the people in the Standard Metropolitan Statistical Area can agree on designation. In most communities, the unemployed and under-employed citizens reside within the central city and a requirement which is based on total population seems inappropriate and may even have racial overtones. Why should the mayor with responsibility for solving the problems of the majority of the unemployed persons in the SMSA share significant decision-making power with elected officials of the suburban units of government?

In effect, this provision offers the theory of local selection of the prime sponsor without realistic substance. In only two of the fifty largest SMSA's in the country -- Portland, Oregon, and San Antonio, Texas--does the central city have in excess of 75% of the population of the total SMSA. In short, the mayor of the central city will probably have to reach an agreement with the chief elected officials of one or more suburban jurisdictions in order to have the selection of the prime sponsor be a local decision. In some SMSA's, such as Hartford, Connecticut; San Jose, California; Sacramento, California; and Newark, New Jersey, the decision can almost be made entirely by suburban jurisdictions with no reference to the central city. In probably close to 90% of the cases, the governor under the present provisions of the bill, will select the prime sponsor (see data listed in Table 1).

As a matter of practical politics, the governor will usually select an institution over which he has some influence and control. Since one of the features of the bill is to make the State Employment Service more directly accountable to the governor by requiring that it be a part of the state manpower agency, the State Employment Service now becomes, from the governor's standpoint, the most logical agency to be selected, especially in return for a quid pro quo that it will be somewhat responsive to him.

DOL's insensitivity to the designation of the prime sponsor by the governor reflects its traditional trustee complex about the administration of local programs. DOL has tended to see local sponsors of manpower programs as a part of its appartus rather than a part of the communities they serve. DOL has exercised decision-making over individual line items of budgets. The Department at times hamstrung local administrators from showing much imagination or speed all in order to guard against fraud. It has failed to involve the administrators of local programs in the development of guidelines and policies just as it would not involve the employees of a file branch in its central office -- after all they are simply parts of the apparatus.

It is understandable then, having seen local sponsors like any other contractor who responds to budgetary purse strings rather than local needs, that the Department would see no problem in having governors make decisions about local program responsibility.

Having argued that the decision should be made locally, the question now is how and by whom. Obviously the selection should not be the singular prerogative of any one group or official acting in splendid isolation, but should hopefully be the product of a consensus process which involves many different groups in the local community including persons affected by manpower programs.

In many communities, the community action agency, because of its prior coordinating and planning experience, its decision-making coalition board and the participation of low-income people in its activities, would be the most appropriate and effective vehicle for this role. It would seem that these are the characteristics which the Coogress had in mind when it provided that the CAA should be the presumptive sponsor in the 1967 amendments. It would be foolish to suggest that the community action agency in every community is the best qualified instrument to serve this role -- such an sssertion would fall victim of the logic presented earlier. In fact there would be no local decision if the decision were mandated in the law.

Under the present provisions of Title I-B, the community action agency is the presumptive sponsor unless it is unable or unwilling to perform that role in a satisfactory fashion. It is interesting to note that in approximately 90% of the cases the existing community action agency has received the sanction of local elected officials under the Green Amendment. Local officials already control one-third of the seats on the CAA Board and it is frequently the only place where city, county, and suburban governmental officials share decision-making power. The mayor already has the option of assuming leadership in the local CAMPS committee. It is not safe to assume that a new ball game with new umpires and new rules will by themselves improve the effectiveness of mnnpower planning and coordination at the local level.

Another question concerns the necessity of the prime sponsor being relevant to poor people who, at least rhetorically, are the prime consumers of the manpower services in the existing as well as the proposed legislation. The present Title I-B contains strong requirements for citizen participation in all aspects of the program. The Administration bill contains considerably weaker provisions, requiring only that the poor should be a part of local advisory committees. In effect the bill would have the effect of shifting responsibility for prime sponsorship away from institutions which usually have a significant rapport with the poor to some unnamed instrument selected by the governor. Rapport with the poor is a key ingredient in designing and operating manpower programs designed to serve the poor. Presumptive sponsorship of manpower programs should therefore be through a Federally supported instrument which is the advocate of the poor and on which they have considerable influence. This is an indispensable consideration in selecting a prime sponsor.

The present provisions of Title I-B which in effect provide that the CAA be the presumptive prime sponsor automatically provide for a coalition planning mechanism. The board of the CAA is the only Federally supported local coalition planning mechanism. If the Department desires to insure local involvement of all key sectors, the CAA Board already provides that mix. Why foster a new and more narrowly constructed advisory body with indefinite powers and influence rather than continuing to vest responsibility in an already operative mechanism -- the CAA Board?

Considering all these questions, the bill should provide a series of performance standards for the process by which the prime sponsor designation would be made locally. In urban areas it should be made on the basis of Standard Metropolitan Statistical Area. In rural areas it should be made on a geographic basis which is consistent with relevant regions being designated for related Federal and state programs. In each of these areas, local elected officials including the mayors of central cities should lead a process which involves the recipients of services and a cross-section of the community, not merely of agencies directly involved in manpower programs. It may be well to suggest that the Board of Directors of the community action agency might adequately serve as such a cross-section and it is certainly desirable to require that the experience in the field of manpower must be considered not only in the selection of the prime sponsor but also in the allocation of manpower program responsibilities. The governor and state agencies should be involved in the process as well. For those who must insist on a stronger state role, a governor's right to veto the local sponsorship with a Federal override could be added. Based on history to date, there is no major advantage to a veto provision and it could become a barrier to the development of positive Federal-state-local working relationships. There is some evidence, particularly in Secretary Schultz's statement to the Senate Subcommittee, that the Labor Department desires to have the state employment service become the major vehicle for manpower program administration. In a recent speech to the New York State Employment Service Conference the Secretary said:

> As I see it, the proposed Manpower Training bill presents a unique opportunity to the state employment security agencies to move into the role of state prime sponsors for Manpower programs as a primary agent of a broader Manpower policy. We think the employment security agencies will be the core of the comprehensive Manpower agencies.

In view of this posture, it is appropriate to briefly examine the current status of the state employment services. Since its birth, in most states, the state employment service has been no better or no worse than traditional state administered services.

The Department's position -- which seems to be that if $800 million must be spent on the state employment services then that money should produce more than it now is -- is very commendable. The desire of the Department to create a greater response of responsibility in the state employment service by making it more directly accountable to the governor, bringing it into tandem with other related state agencies, and flexing Federal evaluation, personnel, and budgetary controls are all desirable and worthy of support. But to assume, as the Department seems to, that by giving more responsibility to the employment service that it will increase its effectiveness, lacks sufficient logic.

Instead, the Department should adopt a countervailing force approach in which manpower responsibilities and performance should gradually be spun into the state employment service based on performance and ability instead of the other way around. The original concept of the community action agency was that it was not to be a permanent institutional fixture but rather would spin off its responsibilities as it was able to strengthen existing institutions and mobilize the necessary resources for those institutions to better serve the poor. Thus the CAA assumes a bridge role, developing new approaches to manpower training and helping the state employment service albiet from the outside, to reform itself. This countervailing role combined with better accountability to the Department and the governor can bring about changes which would warrant a greater ES role in the future.

Simply calling off the countervailing force and assuming that Federal and state pressure will reform the ES in every local community is not a wise policy. For example, under the Administration's welfare proposal it is presumed that the ES will be empowered to make that crucial decision of whether a particular job is suitable for an unemployed person and thus they should be denied further welfare benefits if he or she refuses to accept it. Noting that most unemployed people are low-income and frequently from minority groups, and that most employees of state employment services come from middle income backgrounds and are predominently white, particularly in professional positions, it is indeed appropriate to ask whether the state employment service is the appropriate mechanism to make so delicate a decision.[1]

Instances of racial ineptness and at times blatant racism can be found in the history of state employment service offices.

Role of OEO

Since the Manpower Training Act became the manpower policy position of this Administration, the Director of OEO seemingly consented to diminishing OEO's interest and involvement in manpower matters. From this weakened position will flow a further erosion of the manpower role of community action agencies. Lost in this shuffle of program cards is a recognition of the unique role of manpower in community development. It is not interchangeable with other program components. The ability to deal with the most immediate, "today and tomorrow" income problems of the poor is often the key to developing meaningful citizen participation and efforts which will deal with second and third level problems in the life of low-income individuals. If the CAA's completely lose their role in manpower programs, they may also lose the most important key to bringing low-income persons into the mainstream of American society and beginning the community development process for that person and his neighborhood.

If the future of OEO means limited funding and probably cut-backs or at least stagnation in CAA program levels and, if the CAA is effectively shut out of major roles in other programs,

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[1] According to the October, 1969, issue of "Manpower" published by the Department of Labor, following is the record of employment security agencies as equal opportunity employers:

Minority group members now make up 14 percent of the staffs of the 50 State employment security agencies, up from 12 percent 2 years ago, a survey by the U.S. Department of Labor shows. While overall staff increased from 58,000 people in 1967 to more than 63,000 in 1969, a boost of 9 percent, minority employees rose 30 percent, from 6,800 to nearly 9,000. The number of Negro employees rose from 5,400 to more than 6,800; Spanish-Americans from 800 to nearly 1,200; American Indians from about 100 to more than 300; and Orientals from about 500 to almost 600. By job level, increases in minority employment were: 39 percent in clerical-office jobs; 27 percent in professional-technical jobs; and 28 percent in managerial-supervisory jobs. Eight percent of all Negro employees were in managerial-supervisory jobs in 1969; 33 percent in professional-technical jobs; 50 percent in clerical-office work; and 9 percent in custodial service.

then the coalition planning structure which is the CAA Board and the partnership of the poor and the non-poor that it represents will cease to have any meaningful purpose and will begin to collapse. Its more talented members will fail to see any continued value in the Board. Federal grant-in-aid programs will then lapse back into the functional enclaves and coordinative warfare will begin anew.

Characterized as the advocate of the poor at the Cabinet table, its Director possessing Cabinet rank and renewed organizational status, OEO seems to have a relatively minor role under this bill. The Secretary of Health, Education, and Welfare is entitled to frequent consultation and at times concurrence in crucial decisions; the Director of OEO has a relatively minor consultation role and membership on appropriate advisory bodies.

Noting that the Department of Labor in its policy-making process under Title I-B has been largely remiss in seeking and respecting the position of OEO, one can expect a further diminuation of the role of OEO unless the bill provides an adequate level of OEO involvement. If OEO's role is too weak under a delegation agreement and in programs operated with its money, it will certainly not be strengthened when the mantle has passed almost entirely to the Secretary of Labor.

Increasing the leadership role within the Executive Branch of the Secretary of Labor in manpower matters is desirable and we support it. But the involvement of other Federal officials including the Director of OEO is necessary especially if he is truly the advocate of the poor at the Federal level. The Director of OEO should have a more direct and guaranteed role in at least the following aspects of the Administration bill:

- Consultation in the Labor Department's acceptance of the state plan and state administering agency structure under Sections 104(b) and 102(a)

- Consultation in the development of standards for exemplary performance (certainly consistent with OEO's evaluation role) under Section 102(b)

- Concurrence in the development of rules, regulations, standards of performance and guidelines under Section 104(a)

- Concurrence in determining the acceptability of the state plan as it related to low-income people including Section 104(a) and (b)

- Consultation in and ability to initiate recommendations that the Department find a state to be in non-compliance under Sections 106(a) and (b).

The role of the Director of OEO in the operation of the Job Corps Program as presently outlined in the Delegation Agreement which became effective on July 1, 1969, should be continued. If the Job Corps is still in an experimental stage and if new program designs such as urban minicenters are still being tested, and if in fact OEO is to assume a government-wide role in innovation and evaluation, then its continued strong and effective involvement in the operation of the Job Corps Program is essential.

In short, there is no question about the need for identifying leadership responsibility for manpower programs with the Secretary of Labor. It is appropriate that the Secretary of HEW share a significant concurrence and consultation role with the Secretary of Labor since HEW program areas of responsibility are involved. It is equally appropriate that the Director of OEO as the advocate of the poor should share appropriately in the decision-making processes since the major clients of manpower programs are the poor.

Public Service Employment

A final area of concern is the need for Public Service Employment. The guidelines for the Public Service Careers Program seem to engage in brinkmanship with regard to public service employment. The PSC program is protrayed as the last test of whether jobs in the public sector can be opened up without more massive Federal involvement. It provides some measure of Federal assistance if state and local governments are willing to establish positions in their budgets and provide the funds to pay the salaries for these positions. Based on the review of these guidelines from dozens of communities around the country, this guideline seems unrealistic. If state and local governments had the resources to hire additional employees they would certainly hire them directly without the encouragement of the Public Service Careers Program and without the uncertainty which a Federal pilot program is bound to involve.

It is an inescapable conclusion that the needs of our communities and the financial difficulties facing state and local governments as well as public and private agencies require a more significant effort in the field of public service employment and that the Federal government must assume the role of supplying the resources for such programs. It may be an unnecessary exercise to again try to encourage the employment of significant numbers of persons from existing state and local government budgets. The bill should provide specific provisions for Public Service Employment not only in the course of normal programs but provide sufficient funds for those programs on a continuing basis and especially provide that such programs should become operative if the trigger mechanism is activated.

Summary

Much of the purposes and thrust of the Manpower Training Act of 1969 is worthy of strong support. It must be improved, however, if it is to be a totally responsive and effective instrument through which the manpower and training needs of this Nation and particularly of its poor can be dealt with. To succeed, Manpower programs must be effectively designed, coordinated, and implemented at the community level. Federal, state and local agencies can play a harmonious role in this process. This bill must orchestrate that sense of harmony.

The bill must also move to build a local capability and accountability for human resource programs and must preserve the flexibility in program design which the framers of the legislation intended. It should not create a vertical enclave of manpower programs, but should move to support a horizontal coordination of human resource programs at the local level. It should not seek commonality of roles for different institutions, and it should inspire more than the traditional symbol of state role embodied in a state plan and state grant processing. In its search for uniformity of program structure the bill may give the illusion of decentralization without actually providing it.

The bill should give greater recognition to the role of the Office of Economic Opportunity and of the competence of community action agencies as advocates of the poor and innovators in the design of new approaches and providing job opportunities for the poor. The innovative capabilities of OEO and the CAA's are still urgently needed, and there must be some more direct assurance of their participation consistent with the need for a broad-based community process in the design and execution of manpower programs. The more traditional and apparently orderly state plan approach to program administration should be dropped in favor of a local consensus and determination process which includes involvement of the poor and the CAA but which provides for local accountability and responsiveness.

In considering this legislation, it may be well to remember a comment which H. Ralph Taylor, former Assistant Secretary of HUD for Model Cities and Governmental Relations, made in a speech to the American Society for Public Administration. Taylor said:

> The approach of creative federalism involves some massive adjustment in administrative behavior. The agencies and organizations that in distributive politics fought for their own, identified their clientele and protected it, are not easily adapted to the new environment. Strategies and tactics that lead to jealous protection of automomy, careful delineation of jurisdictional boundary lines, sporadic restrained interagency communication simply do not fit immediately the context of colloborative problem-solving. Old concepts of hierarchy, span of control, specific delegation of authority, and explicit definitions of responsibility die hard. So does the philosophy that order and structures can be regained somehow by consolidation of related programs and by institutional reorganization plans.

This legislation must be couched in the needs of the 1970's and not the traditions of the 1950's and 1960's. Much in this bill is forward looking and worthy of strong support. The substitution of a more responsive and people-oriented view of the role of various institutions including Federal, state and local governments will perfect its implementation and give reasonable assurance of the success of programs initiated under it.

POPULATION CHARACTERISTICS OF 50 LARGEST STANDARD METROPOLITAN STATISTICAL AREAS RELATED TO SECTION 102 (a)(2)

City	Total	Ct.City	% in Ct.Cty.	SMSA served by single CAA
New York, New York	10,694,632	7,781,984	72%	No
Chicago, Ill.	6,220,913	3,550,404	56%	No
Los Angeles, Cal.	6,038,771	2,823,183	47%	No
Philadelphia, Pa.	4,342,897	2,002,512	46%	No
Detroit Mich.	3,762,360	1,670,144	44%	No
Boston, Mass.	2,595,481	697,197	27%	No
Pittsburg, Pa.	2,405,435	604,332	25%	No
St. Louis, Mo.	2,104,669	750,026	36%	No
San Fran-Oakland	2,648,762	1,107,864	42%	No
Washington, D.C.	2,076,610	763,956	37%	Yes
Baltimore, Md.	1,803,745	939,024	52%	No
Houston, Texas	1,418,323	938,219	66%	No
Atlanta, Ga.	1,017,188	487,455	48%	No
Buffalo, N.Y.	1,306,957	532,759	41%	No
Cleveland, Ohio	1,909,483	876,050	46%	No
Dallas, Texas	1,119,410	679,684	61%	No
Kansas City, Mo.	1,092,545	562,272	51%	No
Milwaukee, Wis.	1,278,850	741,324	58%	No
San Diego, Cal.	1,033,011	573,224	55%	Yes
Seattle-Everett,Wash.	1,107,312	591,391	53%	No
Cincinatti, Ohio	1,268,479	502,550	40%	No
Mpls.-St.Paul,Minn.	1,482,030	796,283	54%	No
Newark, N.J.	1,689,420	405,220	24%	No
Paterson-Clifton-Passaic, N.J.	1,186,873	279,900	42%	No
Denver, Colo.	929,383	498,887	53%	No
Indiannapolis, Ind.	944,475	476,258	50%	No
New Orleans, La.	907,128	627,525	67%	No
Miami, Fla.	935,047	291,688	31%	Yes
Portland, Ore.	821,897	750,298	91%	No
Providence-Pawtucket-Warwick, R.I.Mass.	821,101	357,003	44%	No
San Bernadino-Riverside-Ontario, Cal.	809,782	222,891	28%	No
Columbus, Ohio	754,885	471,316	62%	No
Birmingham, Ala.	721,207	340,887	47%	No
Dayton, Ohio	727,121	262,332	36%	No
Louisville, Ky.	725,139	390,639	54%	No
Rouchester, N.Y.	732,588	318,611	44%	No
Tampa-St. Petersburg Fla.	772,453	456,268	58%	No
Anaheim,Santa Ana, Garden Grove, Cal.	703,925	283,772	41%	Yes

San Antonio, Texas	716,168	587,718	82%	Yes
Memphis, Tenn.	674,583	497,542	74%	No
Phoenix, Ariz.	663,510	439,170	66%	No
Akron, Ohio	605,367	290,351	48%	No
Jersey City, N.J.	610,734	276,101	45%	No
Sacramento, Cal.	625,503	191,667	31%	No
San Jose, Cal.	642,315	204,196	32%	Yes
Toledo, Ohio	630,647	318,003	50%	No
Albany-Schenectady-Troy, N.Y.	657,503	278,900	42%	No
San Juan, P.R.	647,979	432,377	67%	Yes
Fort Worth, Texas	573,215	356,268	62%	No
Norfolk-Portsmouth,Va.	578,507	419,642	73%	Yes
Oklahoma Cty,Okla.	511,833	199,700	39%	No
Honolulu,Hawaii	500,409	294,194	59%	Yes
Syracuse, N.Y.	563,781	216,038	38%	No
Gary-Hammond-E.Chicago,Ind.	573,548	347,687	61%	No
Greensboro-Winston-Salem-High Point,N.C.	520,249	292,772	56%	No
Hartford, Conn.	549,249	162,178	30%	No
Youngston-Warren,Ohio	509,006	284,279	56%	No

91st CONGRESS
1st Session H. R. 10908

IN THE HOUSE OF REPRESENTATIVES

May 5, 1969

Mr. Steiger of Wisconsin (for himself, Mr. Quie, Mr. Widnall, Mr. Erlenborn, Mr. Dellenback, Mr. Eshleman, and Mr. Hansen of Idaho) introduced the following bill; which was referred to the Committee on Education and Labor

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A BILL

To develop and strengthen a systematic National, State, and local manpower policy and provide for a comprehensive delivery of manpower services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Manpower Act of 1969".

FINDINGS AND STATEMENT OF PURPOSE

Sec. 2. In recognition of the unmet needs of the unemployed and underemployed, the Congress finds that it is essential to the welfare of all Americans that concerted action be taken by National, State, and local governments to more effectively and economically utilize State and Federal funds for manpower training, work experience, job placement, and other services. Further, that it is essential to (1) establish explicit priorities for the allocation of these funds to insure that they are used to reach and assist those in greatest need of manpower services; (2) to establish clearcut goals for the total system of manpower training, work experience, placement, and other services to maximize the effectiveness of the system in assisting individuals to find and maintain gainful employment; (3) to enlist the full support of private industry in securing jobs for enrollees of manpower programs; (4) to link together and coordinate the efforts of Federal, State, and local public and private agencies involved in performing manpower services; (5) to facilitate a smoother transition for students leaving the Nation's educational institutions and entering the world of work; (6) to develop new approaches for improved services and changes in traditional organizational patterns used to assist economically disadvantaged and insufficiently trained individuals; and (7) to coordinate the Nation's manpower needs and services as closely as possible with economic development, transportation planning, new residential housing, and other factors related to the development of new job opportunities.

AUTHORIZATION OF APPROPRIATIONS

Sec. 3. There is hereby authorized to be appropriated to the Secretary for making grants under this Act the sum of $2,000,000,000 for the fiscal year 1971, $2,300,000,000 for the fiscal year 1972, $2,500,000,000 for the fiscal year 1973, and $3,000,000,000 for the fiscal year 1974. For the fiscal year 1975, and each succeeding fiscal year there is authorized to be appropriated only such sums as the Congress may hereafter authorize by law.

USE OF FUNDS

Sec. 4. From the sums appropriated for making grants under this Act for a fiscal year, the Secretary shall reserve 30 per centum for making grants authorized under section 12. The remainder of such sums shall be used by him to make grants to assist States to carry out comprehensive manpower plans as hereinafter provided.

ALLOTMENTS TO STATES

Sec. 5. (a) The Secretary shall allot among the States the funds remaining after he has made the reservation required by section 4 in accordance with uniform standards, and in arriving at such standards, he shall consider only the following factors:

(1) the proportion which the manpower allotment of a State during the preceding fiscal year bears to the total manpower allotments of all States during the preceding fiscal year;

(2) the proportion which the nonagricultural labor force of a State bears to the total nonagricultural labor force of the United States;

(3) the proportion which the unemployed within a State bears to the total number of unemployed in the United States; and

(4) the proportion which the population, age fourteen through seventeen years, in a State bears to the total population, age fourteen through seventeen years, in the United States. Notwithstanding the foregoing, the allotment for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands shall be $150,000, and none of the remaining States shall be allotted less than $1,000,000.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such year shall, if section 10 does not provide for its expenditure, be available for reallotment from time to time, on such dates during such year as the Secretary may fix, to other States in such amounts as the Secretary shall determine.

DEVELOPMENT OF COMPREHENSIVE MANPOWER PLANS

Sec. 6. The Secretary shall enter into an agreement with the Governor of each State under which a planning group will develop a comprehensive manpower plan for the State. Such planning group shall consist of the appropriate State agencies, including the State education agency and the State employment service, and representatives of labor, management, private agencies active in the manpower field, and the public,appointed by the Governor. Each such agreement shall --

(1) require each comprehensive manpower plan to set forth a long-range program plan (or, as is appropriate, a supplement to, or revision of, a previously submitted long-range program plan) for programs to be carried on with assistnace under this Act, which program plan extends over three years beginning with the fiscal year for which the comprehensive manpower plan is submitted, describes the present and projected needs for programs provided for in this Act, and sets forth the long-range program objectives;

(2) require each comprehensive manpower plan to set forth an annual program plan, which describes the content of, and allocation of Federal funds to, programs, services, and activities to be carried out under the plan during the year for which Federal funds are sought, and indicates how and to what extent such programs, services, and activities will carry out the program objectives set forth in the long-range program plan;

(3) require (A) that institutional training be, where possible, arranged or provided through State education or training agencies and that such training and on-the-job training provided for under the plan be of high quality and be so constituted as to duration and content as to meet the special needs of trainees, (B) that adequate and safe facilities, and adequate personnel and records of attendance and progress be provided, and (C) that in the case of on-the-job training, each trainee's program involve reasonable progression and reasonable compensation considering such factors as industry, geographical region, and trainee proficiency;

(4) require each comprehensive manpower plan to give special emphasis to the employment and training needs of persons who are from poverty families using as an index of poverty the minimum income per household of a given size, composition, and farm or non-farm status, as set forth by the Social Security Administration;

(5) set forth priorities in terms of target groups, and varieties of programs established by the Secretary in light of national needs;

(6) set forth a program for providing placement services which will utilize the facilities and services of the State employment services as well as facilities and services from other sources, and which will make effective placement services available, not only to persons who have completed training under a comprehensive manpower plan, but also to other categories of persons;

(7) require that personal and educational and vocational counseling, testing, and evaluation be utilized to assure that each individual served will be provided appropriate services, and that followup services be provided to insure that training is effectively utilized by the trainee;

(8) establish the criteria to be used in fixing training and other allowances and compensation for services;

(9) establish the criteria to be used in fixing the payments to be made to employers participating in on-the-job training and similar programs;

(10) require the utilization to the maximum extent feasible of public and private profit and nonprofit agencies and organizations, and of all the State and local agencies and organizations, which are capable of contributing to the program, with priority given to skills centers and other education and training programs operated or arranged through State and local educational agencies; and

(11) require the establishment and operation of a data system which will provide, in readily accessible form, statistical information sufficient to enable the administrators of the plan to evaluate the effectiveness of programs carried on under the plan and to determine means of improving their effectiveness.

COMPREHENSIVE MANPOWER PLANS

Sec. 7. (a) Any State which desires to receive a grant from funds allotted it under section 5 shall submit through the Governor thereof to the Secretary a comprehensive manpower plan developed pursuant to an agreement entered into under section 6, but no such plan shall be submitted until a public hearing has been held on the plan. The comprehensive manpower plan of a State must-

(1) provide that responsibility for carrying out the plan is placed in the Governor of the State;

(2) provide for as varied and extensive manpower programs (and related activities) and work experience programs as is consistent with the needs and resources of the State and with the amount of Federal assistance being provided;

(3) set forth the method of administration and the organizational structure to be used in carrying out the plan;

(4) meet the guidelines and standards prescribed by the Secretary under section 6;

(5) provide for coordination of the programs carried on by the State with those carried on by any metropolitan area any part of which lies within the State;

(6) take into consideration manpower programs carried on under title I of the Demonstration Cities and Metropolitan Development Act of 1966, the Appalachian Regional Development Act of 1965, the Public Works and Economic Development Act of 1965, or any other Federal or State law;

(7) set forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State or metropolitan area (including any such funds paid by either of them to any other public or private agency) under this Act; and

(8) provide for making such reports, in such form and containing such information, as the Secretary may reasonably require to carry out his functions under this Act, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

(b) The comprehensive manpower training plan of a State may include any (or all) of the following types of programs, services, or activities:

(1) A program for testing, counseling, and selecting for occupational training those unemployed or underemployed persons who cannot reasonably be expected to secure appropriate full-time employment without training.

(2) A special program for the testing, counseling, selection, and referral of youths for occupational training and further schooling, who because of inadequate educational background and work preparation are unable to qualify for and obtain employment without such training and schooling.

(3) A special program of testing, counseling, selection, and referral of persons forty-five years of age or older for occupational training and further schooling designed to meet the special problems faced by such persons in the labor market.

(4) Programs of training for persons who, though employed, are in need of additional skills.

(5) Programs for the attainment of basic education and communications and employment skills, by those eligible persons who indicate their intention to and will thereby be able to pursue, subsequently or concurrently, courses of occupational training of a type for which there appears to be a reasonable expectation of employment, or who have completed or do not need occupational training but do require such other preparation to render them employable.

(6) Programs to provide appropriate physical examinations, medical treatment, and prostheses for persons selected or otherwise eligible to be selected for training under this Act.

(7) Experimental programs for part-time training of persons, including employed persons, to meet critical skill shortages.

(8) Programs for on-the-job training needed to equip persons selected for training with the appropriate skills, and giving special consideration to on-the-job training programs which devote systematic effort to providing new opportunities for advancement through more systematic development of career ladders.

(9) Programs to provide part-time employment and useful work experience for students from low-income families who are in the ninth through twelfth grades of school (or are of an age equivalent to that of students in such grades) and who are in need of the earnings to permit them to resume or maintain attendance in school.

(10) Programs to provide unemployed, underemployed, or low-income persons (aged sixteen and over) with useful work and training (which must include sufficient basic education and institutional or on-the-job training) designed to assist those persons to develop their maximum occupational potential and to obtain regular competitive employment.

(11) Special programs which involve work activities directed to the needs of those chronically unemployed or underemployed poor who have poor employment prospects and are unable, because of age, lack of employment opportunity, or otherwise, to secure appropriate employment or training assistance under other programs, and which, in addition to other services provided, will enable such persons to participate in projects for the betterment or beautification of the community or area served by the program, including without limitation activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands.

(12) Special programs which provided unemployed, underemployed, or low-income persons with jobs leading to career opportunities, including new types of careers, in programs designed to improve the physical, social, economic, or cultural condition of the community or area served in fields including without limitation health, education, welfare, neighborhood redevelopment, and public safety, which provide maximum prospects for advancement and continued employment without Federal assistance, which give promise of contributing to the broader adoption of new methods of structuring jobs and new methods of providing job ladder opportunities, and which provide opportunities for further occupational training to facilitate career advancement.

(13) Special programs which concentrate work and training resources in urban and rural areas having large concentrations or proportions of low-income, unemployed persons, and within those rural areas having substantial outmigration to urban areas, which are appropriately focused to assure that work and training opportunities are extended to the most severely disadvantaged persons who can reasonably be expected to benefit from such opportunities, and which are supported by specific commitments of cooperation from private and public employers.

(14) Special programs for referring persons who have finished training to employment opportunities in urban and suburban areas outside their own neighborhoods.

(15) Programs for needy persons who require work experience or special family and supportive services, as well as training, in order that they may be assisted to secure and hold regular employment in a competitive labor market.

(16) Supportive and follow-up services to supplement work and training programs under this or other Acts including health services, counseling, day care for children, transportation assistance, and other special services necessary to assist individuals to achieve success in work and training programs and in employment.

(17) Employment centers and mobile employment service units to provide recruitment, counseling, and placement services, conveniently located in urban neighborhoods and rural areas and easily accessible to the most disadvantaged.

(18) Programs of the type described in section 12(a), with particular emphasis on programs involving intrastate and local employers.

(19) Programs to establish and operate, in cooperation with the State education and other appropriate State agencies, skills centers to provide basic education, employability, and communications skills, prevocational training, vocational and technical programs, and supplementary or related instruction for on-the-job training whether conducted at the job site or elsewhere.

(20) Programs to make relocation payments to allow unemployed persons to relocate themselves and their families in localities affording employment opportunities.

(21) Programs to provide guidance, counseling, testing, and job referral services to unemployed and underemployed persons.

(22) Programs to evaluate the effectiveness of other programs carried on under the plan.

(23) Programs to equip migrant and seasonal farmworkers through education and training to meet the changing demands in agricultural employment and to take advantage of opportunities for regular or permanent employment.

(24) Programs under which a cooperative working relationship is developed between education and training institutions and private employers.

APPROVAL OF PLANS

Sec. 8. The Secretary shall not approve any comprehensive manpower plan of a State which fails to meet the requirements of this Act and the standards and guidelines prescribed by him under section 6. The Secretary shall not approve the comprehensive manpower plan of a State until the Secretary of Health, Education, and Welfare has given his approval of those aspects of the plan relating to institutional training, including the operation of skills centers. Any political subdivision dissatisfied with the comprehensive manpower plan submitted by the State shall have the right to appeal to the Secretary. The Secretary shall not approve such a plan until he has afforded each such political subdivision an opportunity for a hearing on its appeal.

ADMINISTRATION OF PLANS

Sec. 9. Whenever the Secretary, after reasonable notice and opportunity for a hearing to the appropriate official of the State which submitted a plan, finds --

(1) that the plan has been so changed that it no longer complies with the requirements of this Act or of the standards and guidelines prescribed under section 6; or

(2) that in the administration of the plan there is a failure to comply substantially with any such requirement;

The Secretary shall notify such official that no further payments will be made with respect to such plan (or, in his discretion, further payments with respect thereto will be limited to portions thereof not affected by such failure); until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Secretary shall make no further payments with respect to such plan (or shall limit payments to portions thereof not affected by such failure).

DIRECT FUNDING BY SECRETARY

Sec. 10. Where a State fails to submit a comprehensive manpower plan to the Secretary within a reasonable time, or the Secretary disapproves such a plan or discontinues payments with respect to such a plan under the authority of section 9, he and the Secretary of Health, Education, and Welfare shall jointly formulate and carry out a comprehensive manpower plan in such State. Such a program shall meet the requirements of this Act applicable to plans submitted by States, except that where the Secretary has discontinued payments with respect to a portion of a plan under section 9 the program which they carry out directly shall be similar in character to the portion of the plan with respect to which payments were discontinued. In carrying out this section where a State has failed to submit a plan or the Secretary has disapproved it, the State's allotment may be utilized. In carrying out this section where the Secretary has discontinued payments, the sums withheld may be utilized.

INCENTIVE GRANTS

Sec. 11. (a) In order to encourage States to expand and improve the programs, services, and activities provided under their comprehensive manpower plans, the Secretary may make incentive grants to States. An incentive grant may be made to any State which the Secretary finds has developed a comprehensive manpower plan which shows resourcefulness and imagination in making effective use of the manpower resources of the State and is carrying out such plan in a highly effective and efficient manner. An incentive grant may also be made to any State which makes expenditures from non-Federal sources in carrying out its comprehensive manpower plan. Such a grant may not exceed 75 per centum of the amount so expended. At the time he makes an incentive grant the Secretary shall make public a statement detailing the reasons he has made the finding required by this section. Incentive grants made to a State shall be used by it to supplement the funds paid to the State to carry out its comprehensive manpower program.

(b) There is authorized to be appropriated for making grants under this section the sum of $100,000,000 for the fiscal year 1972, $115,000,000 for the fiscal year 1973, $125,000,000 for the fiscal year 1974, and $150,000,000 for the fiscal year 1975. For each fiscal year thereafter only such sums may be appropriated as the Congress may hereafter authorize by law.

DIRECT GRANTS

Sec. 12. (a) The Secretary may utilize the sums reserved under section 4, either directly or through grants to or contracts with public and private agencies and organizations (including States and metropolitan areas), for the following types of programs, services, and activities:

(1) programs which, though eligible for inclusion in a comprehensive manpower plan can be effectively carried out only on a national or multistate basis;

(2) programs, services, and activities carried on under title I of the Manpower Development and Training Act of 1962: Provided, That special emphasis shall be placed on carrying out research projects showing promise of finding solutions to problems arising in carrying out this Act;

(3) programs, services, and activities which, though not included in a comprehensive manpower plan, will supplement such plans and meet needs which are uniquely national, interstate, or regional in character;

(4) programs to provide incentives to private employers, other than nonprofit organizations, to train or employ unemployed or low-income persons, including arrangements by direct contract, reimbursements to employers for a limited period when an employee might not be fully productive, payment for on-the-job counseling and other supportive services, payment of all or part of employer services, payment of all or part of employer costs of sending recruiters into urban and rural areas of high concentrations or proportions of unemployed or low-income persons, and payments to permit employers to provide employees resident in such areas with transportation to and from work or to reimburse such employees for such transportation;

(5) programs, services, and activities supplementary to activities carried on under a comprehensive city demonstration program approved under title I of the Demonstration Cities and Metropolitan Development Act of 1966;

(6) educationally oriented projects (with the approval of the Secretary of Health, Education, and Welfare) where the Secretary of Health, Education, and Welfare finds that, in a manpower context, the educational community is significantly modifying its methods, or procedures, or is developing effective linkages with industry, labor organizations, and other groups or organizations; and

(7) experimental and demonstration programs of training and education for persons who are in correctional institutions and are in need thereof to obtain employment upon release.

(b) In carrying out this section the Secretary shall give special emphasis to programs meeting the needs of low-income persons who are chronically unemployed.

FUNCTIONS OF THE SECRETARY

Sec. 13. (a) In carrying out this Act, the Secretary is authorized and directed to use his authority under the Act of June 6, 1933 (the "Wagner-Peyser Act"), with a view to insuring that the activities of the United States Employment Service and of the systems of State employment offices are coordinated with activities carried on under this Act.

(b) The Secretary shall carry out research programs and demonstration and evaluation programs designed to assist States and metropolitan areas to make their programs more effective.

(c) The Secretary shall carry on a program for the continuing evaluation of the effectiveness of programs, services, and activities provided under this Act. In carrying out this subsection, the Secretary shall make maximum use of the data systems of States.

(d) The Secretary is authorized to make grants to States to assist them in preparing their comprehensive manpower plans, but the amount of such grant shall not exceed 90 per centum of the cost of such preparation.

(e) The Secretary shall make technical assistance available on a continuing basis to assist States in developing and carrying out their comprehensive manpower plans.

(f) In carrying out the responsibilities under this Act, the Secretary shall provide, directly or through grants, contracts, or other arrangements, training for specialized or other personnel and technical assistance which is needed in connection with the programs established under this Act or which otherwise pertains to the purposes of this Act. Upon request, the Secretary may make special assignments of personnel to public or private agencies, institutions, or employers to carry out the purposes of this section; but no special assignments shall be for a period of more than two years.

(g) There is authorized to be appropriated such sums as may be necessary to enable the Secretary to carry out his functions under this section and the functions transferred to him by section 18 for the fiscal year 1970, and each of the three succeeding fiscal years.

DEFINITIONS

Sec. 14. For purposes of this Act --

(1) The term "Secretary" means the Secretary of Labor.

(2) The term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

ADVANCE FUNDING

Sec. 15. To the end of affording the responsible State, local, and Federal officers concerned adequate notice of available Federal financial assistance for programs, services, and activities provided for under this Act, appropriations for grants, contracts, or other payments under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application under any such Act will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

MAINTENANCE OF EFFORT

Sec. 16. No comprehensive manpower plan shall be approved under this Act unless the Secretary satisfied himself that the State has not reduced or is not reducing its own level of expenditures for programs of the type included under the plan, or expenditures for vocational education.

OTHER AGENCIES AND DEPARTMENTS

Sec. 17. (a) The Secretary and the Secretary of Health, Education, and Welfare shall enter into arrangements under which the Secretary of Health, Education, and Welfare will supervise and evaluate all instructional training provided under this Act so as to protect the United States against loss and to assure that the training provided is of high educational quality.

(b) In the performance of his functions under this Act the Secretary, in order to afford unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government. Each department, agency, or establishment of the United States shall cooperate with the Secretary and, to the extent permitted by law, provide such services and facilities as he may request for his assistance in the performance of his functions under this Act.

ANNUAL REPORT

Sec. 18. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary and the Secretary of Health, Education, and Welfare shall prepare and submit to the President for transmittal to the Congress a full and complete report on activities carried on under this Act during such year.

TRANSFER OF JOB CORPS

Sec. 19. (a) All functions of the Director under part A of title I of the Economic Opportunity Act of 1964 are, effective July 1, 1969, transferred to the Secretary of Labor.

(b) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available, in connection with the functions transferred by subsection (a) of this section as the Director of the Bureau of the Budget shall determine shall be transferred to the Department of Labor on July 1, 1969.

(c) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem necessary in order to effectuate the transfer provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

REPEALS

Sec. 20. Titles II, III, and V of the Manpower Development and Training Act of 1962, and part B of title I and title V of the Economic Opportunity Act of 1964 are repealed, effective July 1, 1970.

EFFECTIVE DATE

Sec. 21. For purposes of planning and preparing for carrying out programs under this Act, including the preparation and approval of comprehensive manpower plans, this Act shall be effective immediately, but for purposes of making grants under sections 4 and 13, this Act shall become effective July 1, 1970, except that the repeals provided for under section 20 shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into prior to July 1, 1970.

EXTENSION OF ECONOMIC OPPORTUNITY ACT PROVISIONS

Sec. 22. Section 161 of the Economic Opportunity Act is amended by inserting before the period at the end of the first sentence the following: ",except that he shall carry out part B until June 30, 1971". Section 504 of such is amended by striking out "three" and inserting "four".

ADDITIONAL MATERIAL TO BE INCLUDED IN MANPOWER REPORT

Sec. 23. Section 107 of the Manpower Development and Training Act of 1962 is amended by adding at the end thereof the following new sentence: "The President's report shall also include appropriate information with respect to educational programs which relate to the purposes of the Comprehensive Manpower Act.".

91st CONGRESS
1st Session

H. R. 11620

IN THE HOUSE OF REPRESENTATIVES, May 26, 1969

Mr. O'Hara (for himself, Mr. Thompson of New Jersey, Mr. Brademas, Mr. Hawkins, Mr. Adams, Mr. Addabbo, Mr. Anderson of California, Mr. Annunzio, Mr. Barrett, Mr. Biaggi, Mr. Bingham, Mr. Blatnik, Mr. Boland, Mr. Brown of California, Mr. Burke of Massachusetts, Mr. Button, Mr. Byrne of Pennsylvania, Mr. Clark, Mr. Cohelan, Mr. Conyers, and Mr. Corman) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To assure an opportunity for employment to every American seeking work and to make available the education and training needed by any persons to qualify for employment consistent with his highest potential and capability and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Manpower Act."

STATEMENT OF PURPOSES

SEC. 2. The Congress finds and declares that --

(a) To attain the objective of the Employment Act of 1946 "to promote maximum employment, production and purchasing power" we must assure an opportunity for a gainful, productive job to every American who is seeking work and make available the education and training needed by any person to qualify for employment consistent with his highest potential and capability.

(b) It is within the capability of the United States to provide every American who is able and willing to work, full opportunity, within the framework of a free society, to prepare himself for and obtain employment at the highest level of productivity, responsibility, and remuneration within the limits of his abilities.

(c) The growth of the Nation's economic prosperity and productive capacity is limited by the lack of sufficient skilled workers to perform the demanding production, service, and supervisory tasks necessary to the full realization of economic abundance for all in an increasingly technical society, while, at the same time, there are many workers who are working below their capacity and who with appropriate education and training could capably perform jobs requiring a higher degree of skill, judgment, and attention.

(d) The human satisfaction and sense of purpose so important to employment cannot be fulfilled unless employees have a reasonable opportunity to advance in employment to positions of greater responsibility, status, and remuneration.

(e) The placement of unemployed or underemployed workers in private employment is hampered by the absence of a sufficient number of appropriate entry level employment opportunities to satisfy the need therefor and that the preparation of workers now occupying such places for, and their employment in, more responsible positions would increase the number of appropriate entry level employment opportunities.

(f) It is in the interest of workers, employers, and of the Nation to promote the filling of skill requirements in industry and to provide for the upward mobility of industrial workers by a program that will enable employers to educate and train their employees for positions of greater responsibility, to provide opportunities for advancement to industrial workers, and to create employment opportunities for the unemployed.

(g) The guarantee of meaningful employment opportunities for all Americans requires public investment to the extent the private sector is unable to provide such opportunities.

(h) There are great unfilled public needs in such fields as health, recreation, housing and neighborhood improvement, public safety, maintenance of streets, parks, and other governmental facilities, rural development, transportation, beautification, conservation, and other fields of human betterment and public improvement and that to meet these urgent public needs it is necessary to devote greater resources to public service and to expand public service employment.

(i) The organization and delivery of manpower training services is increasingly complex, the technological nature of the services is expanding, and the trained staff to provide such services is scarce, thus requiring an intensive program of technical assistance and staff training to public and private agencies providing manpower services, and

(j) The economic prosperity of the United States and the well-being and happiness of its citizens would be enhanced by the establishment of a comprehensive manpower policy and program designed to assure every American an opportunity for gainful productive employment and to provide the education and training needed by any person to qualify for employment consistent with his highest potential and capability.

TITLE I - MANPOWER SERVICES PROGRAM

GENERAL RESPONSIBILITIES

SEC. 101. (a) The Secretary of Labor (hereinafter referred to as the Secretary) shall develop and carry out a program of comprehensive manpower services under this title that will --

(1) provide for the prompt referral of all those persons who are qualified and are seeking work to suitable employment opportunities;

(2) guarantee training and related manpower services to all other persons who are unemployed, in danger of becoming unemployed, employed in public service jobs authorized in title III, or employed in low-paying jobs who could through further training qualify for job opportunities that would provide an adequate standard of living for themselves and their families;

(3) provide appropriate training and related manpower services for persons in correctional institutions to assist them in obtaining suitable employment upon release;

(4) provide appropriate training and related manpower services for persons who have recently been or will shortly be separated from military service;

(5) develop an early warning system and standby capability that will assure a timely and adequate response to major economic dislocations arising from changing markets, rapid technological change, plant shutdowns, or business failure;

(6) promote and encourage the adoption of employment practices by public agencies, nonprofit agencies, labor organizations, and private firms that will remove unreasonable barriers to employment, without reducing productivity, and expand opportunities for upward mobility;

(7) reduce the level of youth unemployment by improving the linkages between educational institutions and job markets; and

(8) support and encourage the development of broad and diversified training programs by public, non-profit and private employers designed to improve the skills and thereby the promotion and employment opportunities of employed workers.

(b) The Secretary shall be responsible for the coordination of the activities of other Federal agencies that may contribute to the accomplishment of the purposes of this Act, for promoting the maximum possible coordination of State and local public agencies and private agencies and for recommending to the President and to the Congress combinations of programs or shifts in responsibility that facilitate the achievement of the purposes of this Act.

COMPONENTS OF MANPOWER SERVICES PROGRAMS

SEC. 102. (a) In meeting the responsibilities imposed on him by section 101, the Secretary shall, to the extent needed in each State and local area, provide a comprehensive manpower services program for all those eligible under this title which shall include but shall not be limited to the following:

(1) Occupational counseling and testing services to the extent needed by each individual.

(2) Basic education as needed to remedy the absence of or obsolescence of earlier schooling.

(3) Outreach to find the discouraged and undermotivated and encourage and assist them to enter employment or programs designed to improve their employability.

(4) Prevocational orientation to introduce those of limited experience to alternative occupational choices.

(5) Short-term work experience with public and non-profit agencies for those unaccustomed to the discipline of work.

(6) Communication and employability skills for those pursuing, subsequently or concurrently, courses of occupational training who require such other preparation to render them employable and for those with sufficient skills for suitable employment who require such preparation to become employable.

(7) Occupational training designed to improve and broaden existing skills or to develop new ones.

(8) On-the-job training provided by public, nonprofit and private employers.

(9) Part-time training for employed persons where such training would lead to improved employment opportunities.

(10) Programs to provide part-time employment, on-the-job training, or useful work experience for students from low-income families who are in the ninth through twelfth grades of school (or are of an age equivalent to that of students in such grades) and who are in need of the earnings to permit them to resume or maintain attendance in school.

(11) Special programs for jobs leading to career opportunities including new types of careers, in programs designed to improve the physical, social, economic, or cultural conditions of the community or area served in fields including but not limited to health, education, welfare, neighborhood redevelopment, and public safety, which provide maximum prospects for advancement and continued employment without Federal assistance, which give promise of contributing to the broader adoption of new methods of structuring jobs and new methods of providing job ladder opportunities, and which provide opportunities for further occupational training to facilitate career advancement.

(12) Programs to provide incentives to private employers, nonprofit organizations, and public employers to train or employ unemployed or low-income persons, including arrangements by direct contract, for reimbursement to employers for the costs of recruiting and training such employees to the extent that such costs exceed those customarily incurred by such employer in recruiting and training new hires, payment for on-the-job counseling and other supportive services including transportation, and payments for other extra costs including supervisory training required by the program.

(13) Skill training centers wherever a consolidation of occupational training and related manpower services would promote efficiency and provide improved services.

(14) Supportive and followup services to supplement work and training programs under this and other Acts, including health services, counseling, day care for children, transportation assistance, and other special services necessary to assist individuals to achieve success in work and training programs.

(15) Employment centers and mobile employment service units to provide recruitment, counseling, and placement services, conveniently located in urban neighborhoods and rural areas and easily accessible to the most disadvantaged.

(16) Special job development efforts to solicit job opportunities suited to the abilities of the disadvantaged job seeker and to facilitate the placement of individuals after training.

(17) Job coaching for a limited period to assist the employer and the worker to insure job retention.

(18) Relocation payments and other special services as needed to assist unemployed individuals and their families to relocate from a labor surplus area to another area with expanding employment opportunities where a suitable job has been located. Preference for such assistance shall be provided those who have been provided training before relocation or have been accepted for on-the-job and other types of employer-directed training.

(b) Where appropriate, the services authorized by this section may be provided, in whole or in part, through residential programs.

MANNER OF PROVIDING SERVICES; ALLOWANCES

SEC. 103. (a) The Secretary shall carry out section 102 either directly or through contracts with public or private agencies and organizations. Section 3709 of the Revised Statutes of the United States (41 U.S.C.5) shall not apply to such contracts.

(b) The Secretary, in the case of programs he carries out directly, and contracts entered into under subsection (a), may where appropriate provide for the payment of weekly allowances to individuals receiving services under section 102. Such allowances shall be at a rate prescribed by the Secretary which when added to amounts received by the trainee in the form of public assistance or unemployment compensation payments shall approximate the minimum wage for a workweek of forty hours under section 6 (a) (1) of the Fair Labor Standards Act of 1938 or, if higher, under the applicable State minimum wage law, or where the trainee is being trained for particular employment, at a rate equal to 80 per centum of the weekly wage for such employment, whichever is greater. In prescribing allowances, the Secretary may allow additional sums for special circumstances such as exceptional expenses incurred by trainees including but not limited to meal and travel allowances or he may reduce such allowances by an amount reflecting the fair value of meals, lodging, or other necessaries furnished to the trainee. The Secretary shall take such action as may be necessary to insure that such persons receive no allowances with respect to periods during which they are failing to participate in such programs, training, or instruction as prescribed herein without good cause. Notwithstanding the preceding provisions of this subsection, the Secretary may, in the case of programs carried on outside the continental United States, make appropriate adjustments in allowances which would otherwise be payable under this Act to reflect the special economic circumstances which exist in the area in which the program is to be carried on. Allowances shall not be paid for any course of training having a duration in excess of one hundred and four weeks.

(c) For purposes of subchapter I of chapter 81 of title 5, United States Code, persons receiving services under section 102 shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply, except that in computing compensation benefits for disability or death, the monthly pay of such a person shall be deemed to be his allowance for a month, if he is receiving one, but in no event shall the monthly pay be deemed to be less than the minimum wage for four workweeks of forty hours each under section 6 (a) (1) of the Fair Labor Standards Act of 1938, or, if higher, under the applicable State minimum wage law.

(d) (1) No allowance shall be paid to any person for any period for which a money payment has been made with respect to the need of that person under a State plan which has been approved under title I, IV, X, XIV, or XVI of the Social Security Act and which meets the requirements of the first sentence of paragraph (2) of this subsection. The Secretary is authorized to pay to any such person (A) such sums as the Secretary determines to be necessary to defray expenses of that person which are attributable to receipt of services pursuant to the provisions of this Act, and (B) an incentive payment of not more than the difference between such money payment and the amount of the allowance to which such person would have otherwise been entitled.

(2) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that no payment made to any person pursuant to paragraph (1) of this subsection shall be regarded (A) as income or resources of that person in determining his need under such approved State plan or (B) as income or resources of any other person in determining the need of that other person under such approved State plan. No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before the firts month beginning after the adjournment of the State's first regular legislative session which adjourns more than sixty days after the enactment of this subsection shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of this paragraph.

CRITERIA FOR SELECTION OF MODE OF OPERATION

SEC. 104. (a) In exercising his authority under section 103, the Secretary shall select that mode of operation which, in his judgment, will --

(1) enable him to achieve the objectives of this Act most economically or efficiently, or, where services are urgently needed, to provide such services most quickly and effectively;

(2) assure that these services will be provided without discrimination on the basis of race, creed, sex, age, or national origin;

(3) enable persons seeking manpower services to be served by the smallest number of suppliers of such services, and most conveniently for the individual being served; and

(4) assure that services provided each individual will be tailored to meet his individual needs and capacities.

(b) In carrying out a program of the type described in paragraph (8) of section 102 (a) the Secretary shall make such arrangements as he deems necessary to insure adherence to appropriate training standards, including assurances --

(1) that the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment;

(2) that the training period is reasonable and consistent with periods customarily required for comparable training;

(3) that adequate and safe facilities, and adequate personnel and records of attendance and progress are provided; and

(4) that the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, considering such factors as prevailing industry practices and trainee proficiency.

TITLE II -- OCCUPATIONAL TRAINING IN INDUSTRY

CONTRACTS FOR UPGRADING PROGRAMS

SEC. 201. The Secretary is authorized and directed to enter into contracts with private or public employers under the terms of which the employer undertakes to provide the necessary education and skill training to prepare employees for positions of greater skill, responsibility, and remuneration in the employ of such employer.

REQUIREMENTS FOR CONTRACTS

SEC. 202. Any such contract must contain assurances satisfactory to the Secretary that:

(a) the positions for which employees will be trained are positions that cannot with reasonable effort be filled by the employer with unemployed or underemployed workers already possessing such skills and willing to accept such employment;

(b) the selection of trainees shall be based upon merit, ability, and length of service, and that no person shall be selected as a trainee until such person has been in the employ of the employer for a period of not less than six months;

(c) the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment in a recognized skill or occupation in the service of that employer and of other employers in the same industry;

(d) the training period is reasonable and consistent with periods customarily required for comparable training;

(e) adequate and safe facilities, and adequate personnel and records of attendance and progress are provided;

(f) successful completion of the employee's training program can reasonably be expected to result in an offer of employment in the employer's own enterprise in the occupation for which he will be trained at wage rates not less than those prevailing for the same or similar occupations in that industry;

(g) the training and placement of such employees is part of a program that can reasonably be expected to lead directly to the employment of an equivalent number of new employees in entry level employment; and

(h) the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, considering such factors as industry practice and trainee proficiency, and that in no event shall the wages or employment benefits of any trainee be less than those received by him immediately before his starting such training program.

PAYMENTS TO EMPLOYERS

SEC. 203. Such contracts shall provide for payment the employer undertaking a training program under this title in an amount equal to --

(a) ninety per centum of the instructional expense, other ordinary and necessary training costs, and trainee wage payments for the time spent in training less the value of productive services rendered by such trainee, plus

(b) a bonus payment to reward the efforts of employers whose programs under this title have resulted in substantial upgrading and high retention, to be computed as follows:

(1) at the end of the first twelve months following the completion of a program authorized under this title, twenty per centum of the sum arrived at by multiplying the number of employees upgraded under such program by the average increase in annual earnings of these upgraded employees; and

(2) at the end of the second twelve months following the completion of a program authorized under this title, ten per centum of the sum arrived at by multiplying the number of employees upgraded under such program by the average increase in annual earnings of these upgraded employees.

MANPOWER UTILIZATION STUDIES

SEC. 204. The Secretary is authorized to provide financial support for studies of the utilization of manpower and of job design by any employer or group of employers in industries where there are a large number of unskilled employees, with a view to redesigning and rearranging the work patterns involved in the jobs, so that career ladders may be created where they do not exist, or are clearly inadequate.

TITLE III -- PUBLIC SERVICE EMPLOYMENT

CONTRACTS FOR PUBLIC SERVICE EMPLOYMENT

SEC. 301. The Secretary may contract with any Federal, State, or local governmental agency, or with any private nonprofit organization, to provide useful public service employment to unemployed persons.

REQUIREMENTS FOR CONTRACTS

SEC. 302. Each contract entered into under section 301 shall provide that --

(a) all persons employed thereunder, other than necessary technical, supervisory, and administrative personnel, will be selected from among eligible unemployed persons;

(b) to the maximum extent possible, technical, supervisory, and administrative personnel shall be recruited from among eligible unemployed persons;

(c) persons employed under such contracts will be paid at rates comparable to the rates of pay prevailing in the same labor market area for persons employed in similar occupations, but in no event shall any person employed under such contract be paid at a rate less than that prescribed by section 6 (a) (1) of the Fair Labor Standards Act of 1938, as amended; and

(d) all persons employed under such contracts will be assured of workman's compensation, retirement, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the contractor, and to working conditions no less favorable than such other employees enjoy.

INFORMATION FOR EMPLOYEES

SEC. 303. Every person employed under contract under section 301 shall be advised, prior to entering upon employment, of his rights and benefits in connection with such employment.

ENTITLEMENT TO EMPLOYEE BENEFITS AND PROTECTION

SEC. 304. No contract shall be entered into under section 301 with a contractor who is, or whose employees are, under State law, exempted from the operation of the State workmen's compensation or unemployment compensation laws, generally applicable to employees, unless the contractor shall undertake to provide either through insurance by a recognized carrier, or by self-insurance, as allowed by State law, that the persons employed under the contract, shall enjoy workmen's compensation and unemployment compensation coverage equal to that provided by law for covered employment

MAINTENANCE OF EFFORT

SEC. 305. (a) No contract shall be entered into under section 301 unless the Secretary determines that the execution of the contract will result in an increase in employment opportunities over those which would otherwise be available and that it will not result in a reduction in the employment and labor costs of the contractor or the displacement of persons currently employed, including partial displacement resulting from a reduction in hours of work or wages or employment benefits.

(b) Where a labor organization represents employees who are engaged in similar work to that performed under the contract in the same labor market area, such organization shall be notified by the Secretary prior to the awarding of the contract.

SAFE AND HEALTHFUL WORKING CONDITIONS

SEC. 306. All contractors under section 301 shall provide their employees with safe and healthful working conditions.

EVALUATION OF CONTRACT PROPOSALS

SEC. 307. In evaluating contract proposals received under this title, the Secretary shall consider the cost to the Government in relation to --

(a) the number of eligible unemployed persons who will be provided with suitable employment under the contract;

(b) the need of the community for the services to be provided under the contract;

(c) the nature and extent of unemployment in the community in which the contract is to be performed;

(d) the extent to which employment under the contract will prepare eligible unemployed persons for regular private or public employment or for other programs conducted pursuant to this Act;

(e) the degree to which effective linkages to other programs under this Act are provided so that enrollees are able to secure needed training and other services necessary to prepare them for regular private or public employment; and

(f) the extent to which effective systems have been developed to provide priority to enrollees for entry into occupational training or directly controlled employer training programs designed to lead to regular employment.

PREFERENCE

SEC. 308. (a) Preference shall be given to any prospective contractor who is operating an upgrading program authorized in title II and is prepared to assure maximum opportunity for enrollees to qualify for the entry level positions that become available as a consequence of the upgrading program.

(b) Preference shall also be given to prospective contractors in accordance with the proportion of the total cost they are prepared to assume.

OBLIGATIONS OF THE SECRETARY TO ENROLLEES

SEC. 309. The Secretary shall on behalf of the enrollees be responsible for --

(a) assuring that every reasonable opportunity to find suitable regular employment or to enter a program authorized by title I has been explored before the individual is certified for public service employment; and

(b) maintaining a continuing review of the status of each enrollee to assure that he is receiving consideration for referral to suitable regular employment or to programs authorized by title I.

DEFINITIONS

SEC. 310. For purposes of this title --

(a) The term "eligible unemployed person" means any individual aged eighteen to sixty-five, inclusive, who has demonstrated that he is able and willing to work and (A) has been unemployed for five or more weeks, or (B) is employed on a part-time basis, though able and willing to accept full-time employment.

(b) The term "part-time basis" means less than thirty-five hours a week for a continuous period of ten weeks or more.

(c) The term "private nonprofit organization" means any nonprofit educational institution, or any private non-profit hospital, or any private nonprofit organization certified by the Secretary to be engaged in appropriate public service activities in the community or area to be served.

TITLE IV -- EVALUATION; TECHNICAL ASSISTANCE; STAFF DEVELOPMENT

STAFF DEVELOPMENT

SEC. 401. (a) In carrying out his duties under this Act, the Secretary shall:

(1) Survey, at regular intervals, the various training programs and opportunities available to or utilized by staff of manpower service programs, including both managerial and technical staff.

(2) Analyze the manpower programs, operating or planned, including the conceptual basis, the operating structure, and the clientele to be served, in order to determine current and future staff training requirements thus correcting or avoiding deficiencies in staff performance and enhancing the impact of programs.

(3) Plan for and provide directly or by contract an integrated system of short term and intermittent staff training and instruction in managerial and technical matters relating to the conduct of manpower training programs and services, including but not limited to on-the-job training, the establishment and maintenance of fellowships and traineeships, exchange programs, and such other devices as are deemed necessary or appropriate. The staff training system thus established shall be aimed at and include manpower training and service staff at Federal, State, and local levels funded directly or indirectly by this Act and special attention shall be given to the utilization of this staff training system in a manner which will increase the number and effectiveness of previously disadvantaged persons serving in career staff capacities.

Training under this section shall provide for such stipends and allowances(including travel and subsistence allowances) as may be deemed necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided for any one course of study for a period in excess of four years.

TECHNICAL ASSISTANCE

SEC. 402. The Secretary shall --

(a) Plan for, establish, and maintain, directly and through contracts, a program of technical assistance to public and private agencies, institutions, and employers in order to assist such organizations in operating programs more effectively and providing services under this Act, in the most effective and efficient manner possible.

(b) Provide for, directly and through contract, the development and distribution of technical manuals and guides in order to assure the early dissemination of information concerning advanced or improved techniques related to manpower services and their delivery. Such information shall include techniques developed both as a result of this Act and through other resources.

(c) Make, upon appropriate request, the special assignment of personnel to public or private agencies and employers to provide technical guidance with regard to programs funded under this Act; but no such assignments shall be for a period of more than two years.

(d) Without regard to the civil service laws or the classification provisions of title 5, United States Code, employ highly specialized or qualified personnel from public or private agencies and institutions, and assign them to units of the Department engaged in work under this section, for purposes of technical guidance or assistance. Such special assignments shall be limited to five per year and shall not exceed nine months in any two years for any individual and such persons shall not hold, or exercise the authority of, any policy or supervisory position. The Secretary may arrange for payments for subsistence, travel, and wage or salaries for individuals thus assigned: Provided, That such wage or salary payments shall not exceed the wage or salary that said individuals would otherwise receive had the assignment not been made.

EVALUATION

SEC. 403. The Secretary shall --

(a) Provide for the systematic evaluation of the management and impact of manpower programs and services provided under this Act. Such evaluation may be conducted directly or by contract and shall include the comprehensive analysis of programs and analyses of particular program or service components, cost effectiveness, and impact upon and receptivity of the trainee and the community.

(b) Compile the findings of such evaluations, with the recommendations for corrective action and a list of such actions as are implemented. This compilation, together with such supportive documents as may be required, shall be submitted by him to Congress annually by April 1.

(c) Allocate 1 per centum of the sums appropriated in any fiscal year to carry out titles I, II, and III for the purposes of this section.

TITLE V -- MANPOWER RESEARCH AND DEVELOPMENT

SEC.501. For the purpose of achieving the objectives set forth in this Act, the Secretary shall --

(a) Conduct (directly, or through grants or contracts) permanent and ongoing programs of research and evaluation of --

(1) the impact, benefits and problems created by technological progress and other changes in the structure of production and demand on the use of the Nation's human resources;

(2) practices of employers and labor organizations which tend to impede or facilitate the vertical, lateral, or geographical mobility of workers; and

(3) the adequacy of the Nation's public and private manpower development efforts, not limited to those carried on under this Act, to meet foreseeable manpower needs.

(b) Establish a program of experimental, developmental, demonstration, and pilot projects, directly, or through grants or contracts, for the purpose of improving the techniques and demonstrating the effectiveness of specialized methods of achieving the objectives of this Act. In carrying out such programs, the Secretary may, where appropriate consult with other agencies of the United States Government.

SEC. 502. The Secretary, serving as the President's principal adviser on manpower, shall report to the President on the manpower implications of the Federal budget, and shall make recommendations to the President in regard to the budget and to manpower programs generally.

SEC. 503. In carrying out the responsibilities under this Act, the Secretary shall provide, directly or through grants, contracts, or other arrangements, training for specialized or other personnel and technical assistance which is needed in connection with the programs established under this Act or which otherwise pertains to the purposes of this Act. Upon request, the Secretary may make special assignments of personnel to public or private agencies, institutions, or the Vocational Rehabilitation Act, the Demonstration Cities, and Metropolitan Development Act of 1966, and other relevant Federal statutes.

LABOR MARKET INFORMATION AND JOB MATCHING PROGRAM

SEC. 504. (a) The Secretary shall develop a comprehensive system of labor market information on a National, State, local, or other appropriate basis, including but not limited to information regarding --

(1) The nature and extent of impediments to the maximum development of individual employment potential including the number and characteristics of all persons requiring manpower services.

(2) Job opportunities and skill requirements.

(3) Labor supply in various skills.

(4) Occupational outlook and employment trends in various occupations, and

(5) In cooperation and after consultation with the Secretary of Commerce, economic and business development and location trends. Information collected under this subsection shall be developed and made available in a timely fashion in order to meet in a comprehensive manner the needs of public and private users, including the need for such information in recruitment, counseling, education, training, placement, job development, and other appropriate activities under this Act and under the Economic Opportunity Act of 1964, the Social Security Act, the Public Works and Economic Development Act of 1965, the Wagner-Peyser Act, the Voaational Education Act of 1963, the Voaational Rehabilitation Act, the Demonstration Cities and Metropolitan Development Act of 1966, and other relevant Federal statutes.

(b) The Secretary shall develop and publish on a regular basis information on available job opportunities throughout the United States on a National, State, local, or other appropriate basis for use in public and private job placement and related activities and in connection with job matching programs conducted pursuant to this subsection. The Secretary is directed to develop and establish a program for matching the qualifications of unemployed, underemployed, and low-income persons with employer requirements and job opportunities on a National, State, local, or other appropriate basis. Such programs shall be designed to provide a quick and direct means of communication among local recruitment, job training and placement agencies and organizations, and between such agencies and organizations on a National, State, local, or other appropriate basis, with a view to the referral and placement of such persons in jobs. In the development of such a program, the Secretary shall make maximum possible use of electronic data processing and telecommunication systems for the storage, retrieval, and communication of job and worker information.

(c) The Secretary is authorized to and shall plan, establish, and operate, directly or through contract, an information service, to make available to agencies, organizations, and other groups and persons concerned with manpower programs and services, information on resources, techniques, and concepts useful in the conduct of training programs covered by this Act. Such information shall include that derived from research, experimental and demonstration programs, and the evaluated experience of Federal, State, and local operations. The information shall be so designed as to be helpful in the establishment and improvement of training programs and related activities covered under titles I, II, and III.

SEC. 505. Not less than 2 per centum of the sums appropriated in any fiscal year to carry out titles I, II, and III of this Act shall be availably only for carrying out the provisions of this title.

SEC. 506. The Secretary shall make such reports to the President as he shall deem appropriate or the President shall require and the President shall submit to the Congress, not later than April 1 of each year (beginning not less than nine months after the effective date of this Act)a report pertaining to manpower requirements, resources, utilization, and training.

TITLE VI -- MISCELLANEOUS

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. There is hereby authorized to be appropriated such sums as may be necessary to carry out this Act. Funds appropriated under this Act shall remain available for one fiscal year beyond that for which appropriated.

ADVANCE FUNDING

SEC. 602. To the end of affording responsible Federal, State, and local officials concerned, adequate notice of available Federal financial assistance for programs provided for under this Act, appropriations for carrying out this Act are authorized to be included in the appropriation Act for the fiscal year preceding the the fiscal year for which they are available for obligation. In order to seek a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application under this Act will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separtae appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

OTHER AGENCIES AND DEPARTMENTS

SEC. 603. (a) In the performance of his function under this Act, the Secretary, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government. Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such services and facilities as he may request for his assistance in the performance of his functions under this Act.

(b) The Secretary shall carry out his responsibilities under this Act through the maximum utilization of all possible resources for skill development available in industry, labor, public and private educational and training instiutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

PROHIBITION ON RELOCATING ESTABLISHMENTS

SEC. 604. The Secretary shall not use any authority conferred by this Act to assist in relocating establishments from one area to another. Such limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original locations or in any other area where it conducts such operations.

LABOR STANDARDS

SEC. 605. All laborers and mechanics employed by contractors or subcontractors in the consturction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133-133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)).

ADVISORY COMMITTEES

SEC. 606. (a) The Secretary shall appoint a National Manpower Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this Act, the Secretary shall, where appropriate, require the organization of a community, State, and/or regional basis of labor-management-public advisory committees.

(c) The National Manpower Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

(d) Appointed members of the National Manpower Advisory Committee shall be paid compensation at the rate of $100 per diem when engaged in the work of the National Manpower Advisory Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

DEFINITION

SEC. 607. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

REPEAL OF EXISTING LAWS

SEC. 608. Titles I, II, III, and V of the Manpower Development and Training Act of 1962 and part B of title I of the Economic Opportunity Act are repealed, effective June 30, 1969.

EFFECTIVE DATE; TRANSITION PROVISIONS

SEC. 609. (a) This Act shall take effect July 1, 1969.

(b) Notwithstanding the repeals made by section 608, in order to permit an orderly transition from programs carried out under the provisions of law repealed, to programs carried on under this Act, the Secretary may continue to use the authority provided in such repealed provisions of law for such period of time as may be necessary, but not in excess of two years beyond the effective date of this Act.

A COMPARATIVE ANALYSIS OF:**

The Manpower Training Act of 1969 (S. 3828)
The Comprehensive Manpower Act (H.R. 10908)
The Manpower Act (H.R. 11620)*

All three manpower proposals have the similar objective of building a comprehensive national manpower system that can give states and cities more discretion in how to use Federal funds, cut down bureaucratic delays and coordinate existing Federal efforts. The major differences in the proposals is the way each author seeks to achieve coordination.

COORDINATION

The Administration bill consolidates the manpower funding sources at the national level by providing what amounts to a block grant to states in the place of the many separate grants-in-aid now available. This will mean the elimination of many current programs, such as MDTA.

For a state to be eligible to receive funds under the Administration bill, the governor must begin plans to establish a state umbrella manpower agency. When fully operational, the agency will determine the utilization of manpower program resources within the state, will monitor manpower program performance.

Each community will designate a local "Prime Sponsor" responsible for regional coordination and establishment of a community manpower plan. The "Prime Sponsor" funnels its ideas to the state manpower agency, which develops its plans for Federal funding based on the "Prime Sponsor" proposals.

If the Secretary of Labor approves the state plan, the Federal government grants the state a single "block" of funds which, in turn, the state disburses to its communities.

The Administration bill provides for a phasing-in of Federal funds. That is to say, the amount of the "block" grant depends on the degree to which a state makes progress in setting up its umbrella manpower agency, reflecting the needs of local "Prime Sponsors", establishing machinery for evaluating performance, etc.

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*The Manpower Training Act shall hereafter be referred to as the Administration Bill; the Comprehensive Manpower Act, as the Steiger bill; and the Manpower Act as the O'Hara bill.

** As prepared by the U.S. Chamber of Commerce.

Under the Administration bill, businessmen could serve on the state's manpower agency and local chambers could be "Prime Sponsors".

The Steiger bill is based on the same principle of an upward flow of ideas but not as many phased stages are required before the money is released to the local levels.

In the Steiger version the state umbrella manpower agency is broader in composition than in the Administration's version. Membership is required by several agencies which have a bearing on manpower programs, although are not directly responsible for them -- the education agencies, model cities agencies, etc.

There is no locally designated manpower unit like the "Prime Sponsor." All programs would be run directly by the state.

The O'Hara bill has no provision for community or state manpower planning agencies. All activities flow directly between the local program sponsor, be this a public or private agency or a private employer, and the Secretary of Labor.

PROGRAM COMPONENTS

All three bills offer a complete range of services (basic education, transportation, job training, etc.) to the potential program enrollee. Many specific types of services are described, but the program proposals need not be limited to those.

The O'Hara bill puts a heavy emphasis on public service employment, which is only touched upon by the Steiger and Administration bills.

All of the bills put a stress on employment and training in the private sector. The O'Hara bill has a specific section on upgrading in industry, which sets out much more specific criteria than either of the other two bills.

PROGRAM FUNDING

The channels of funding for the three pmposals are outlined below:

Administration bill

Secretary of Labor -- State Agency -- local Prime Sponsor -- specific program

Steiger Bill

Secretary of Labor -- State agency -- specific program

O'Hara Bill

Secretary of Labor -- specific program

Under the Administration bill, 80% of the total funds are reserved for the states and for direct contracts between the Secretary and local contractors. The Steiger bill reserves 70% for the state programs and 30 per cent for direct grants by the Secretary to specific programs. All of the funds in the O'Hara bill are for direct contracts between the Secretary and local communities.

AUTHORIZATIONS

The Administration bill authorizes "such sums as may be necessary to carry out the provisions" of the bill. No specific sum is authorized. If the same funds were to be authorized for the bill as are presently authorized for operating programs to be replaced by the bill, the sum would be $1.6 billion.

The Steiger bill requests $2.0 billion for 1971, $2.3 billion for 1972, $2.5 billion for 1973 and $3 billion for 1974.

ADDITIONAL FEATURES

Job Corps

The Steiger bill would transfer all the functions of Job Corps to the Department of Labor. The other two bills make no reference to the Job Corps.

Manpower Training as an Economic Stabilizer

The Administration bill contains a triggering mechanism to increase the program authorizations when there is a substantial rise in unemployment. If the unemployment rate reaches 4.5 per cent for three consecutive months, the Secretary can spend an additional 10% of the appropriated funds.

Neither the O'Hara or Steiger bills contain such a feature.

Computerized Job Bank

The Administration bill proposes a National Computerized Job Bank to be established in each state and to be run by the state employment service. The Bank would catalogue job openings in a given geographical area to expedite job placement. This is patterned on a pilot program successfully being tested in Baltimore.

Neither the Steiger or O'Hara bills contain such a feature.

COMPARISON OF MAJOR PROVISIONS OF MANPOWER BILLS, 91ST CONGRESS

-- Manpower Training Act of 1969
(Administration Bill - H.R. 13472 and S. 2838)

-- Comprehensive Manpower Act of 1969
(Congressman Steiger's Bill, H.R. 10908)

-- The Manpower Act
(Congressman O'Hara's Bill, H.R. 11620)

U. S. Department of Labor
Manpower Administration
Office of Planning, Evaluation,
and Research
September 15, 1969

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Comparison of Major Provisions of Manpower Bills, 91st Congress

-- Manpower Training Act of 1969
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Comparison of Major Provisions of Manpower Bills, 91st Congress

Item No. and Subject	Manpower Training Act of 1969 (Adm. Bill - H.R. 13472 & S. 2838)	Comprehensive Manpower Act of 1969 (Cong. Steiger's Bill, H.R. 10908)	The Manpower Act (Cong. O'Hara's Bill, H.R. 11620)
I. SUMMARY	The Program is designed to coordinate separately conceived manpower programs and to create a comprehensive manpower services system. There is an "economic stabilizer" provision which authorizes a 10% increase in programs when the national unemployment rate reaches 4.5% for three consecutive months. The full range of manpower services are authorized for unemployed, underemployed, low income or otherwise disadvantaged persons, and for other persons when their participation improves the utilization of the Nation's manpower resources. Administration: A Federal-State-local relationship is established. The Secretary of Labor administers a grant program, issues guidelines and approves State plans. Concurrence by the Secretary of Health, Education, and Welfare is required for programs within the Department's traditional area of responsibility. The Bill embodies "new federalism" to decentralize administration of manpower programs to States and local areas, in accordance with a planning system operated through the prime sponsor concept. There is a pass-through to cities. Level and Method of Funding: Authorization is for such funds as may be necessary. Use of Funds: 20% of funds may be expended by the Secretary; 75% shall be apportioned among the States according to a formula prescribed by the Secretary, with a minimum share of a State's apportionment designated for use in SMSA or other appropriate areas. A State's apportionment begins with 25% grant if State has an approved plan; increases to 66 2/3% grant if State has approved plan and comprehensive manpower agency, and increases to 100% for exemplary performance. Matching is on a 90-10 basis, unless waived by the Secretary. Five percent of the funds may be used for incentive payment to States with exemplary performance, on a $2 for $1 matching basis.	The Bill is designed to establish priorities for the allocation of manpower funds, to establish clearcut goals for a National, State and local system of manpower training, work experience, placement and other services which would focus on the needs of the individual, to coordinate the efforts of the public and private sectors in performing manpower services, to develop a closer relationship between the nation's educational institutions and the world of work, and to link manpower services more closely with economic development and agency planning which involves the development of new job opportunities. Full-range of programs and services are authorized. Administration: A Federal-State relationship is established. Secretary of Labor enters into agreement with each Governor to provide manpower services according to a plan developed by the State, after public hearings, and approved by the Secretary. Secretary of HEW approves plan for institutional training. Level and Method of Funding: Authorization of appropriations is $2 billion for FY 1971, $2.3 billion for FY 1972, $2.5 billion for FY 1973 and $3 billion for FY 1974. Use of Funds: 30% of the sums appropriated under this Act are reserved for the Secretary of Labor. The remaining 70% is to be allotted by the Secretary to the States according to a formula to carry out comprehensive manpower plans. Separate authorization for incentive grants to a State to expand and improve manpower programs.	The program is designed to guarantee every American, willing and able to work, an opportunity for a meaningful job and for training, recognizing that a real problem is to assure that there are sufficient trained people for the Nation's necessary work. A single manpower system is established to replace the many programs which have evolved. The full-range of manpower development and training services are provided, plus a broad program of public service employment opportunities. No clientele group is specified to be served, because the program is for all workers, including employed persons who need upgrading. Administration: The Secretary of Labor is responsible for providing training and other manpower services by contract with any public or private agency. There is no requirement for concurrent approval by other Federal agencies or for operating through specified State or local agencies. The Bill stresses using the most efficient and effective means of carrying out the program, with services tailored to individual needs. Level and Method of Funding: Such sums as necessary; no specific requirement for allocations on a political or geographic basis.
II. MANPOWER DEVELOPMENT PROGRAM AUTHORIZED: A. Training and Services	Section 101. Authorizes grant funds to be expended for eligible activities which shall include, but not be limited to: (1) Basic education, literacy and communications skills; (2) Outreach, counseling, testing, work evaluation and adjustment, work sampling, recruitment, placement and follow-up services; (3) Orientation to work discipline and acclimation to the work situation;	Section 7(b) -- Authorizes State comprehensive manpower plans to include the following services (in most cases) for specified categories of clients: (1) testing, counseling, and selecting for occupational training unemployed or underemployed persons who need training to secure appropriate full-time employment; (2) special testing, counseling, selection and referral programs for youth unable to obtain employment because of inadequate educational background and work preparation;	Sec. 101. Sec. of Labor develop and carry out a program of comprehensive manpower services that will: Provide prompt referral of all qualified persons to suitable employment opportunities; guarantee training and related manpower services to unemployed and underemployed; provide appropriate training and related manpower services for persons in correctional institutions and those separated from military service; develop early warning system and standby capability responsive to major economic dislocations; promote adoption

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II. A. (Cont'd) -- Training and Services	(4) Institutional and on-the-job occupational training, including training of employed workers for the purpose of upgrading their skills and improving the utilization of available manpower; (5) Supportive services, including health services, physical examinations, the furnishing of prosthetic devices, child care, bonding, and other special services, including necessary residential support; (6) Work experience for unemployed and disadvantaged individuals, including the performance of socially useful work in public and private agencies or organizations in the fields of health, public safety, education, recreation, streets, parks, and municipal maintenance, housing and neighborhood improvement, conservation and rural development, beautification, and other fields of human betterment and community improvement, including the establishment, operation or strengthening of any such program; (7) Part-time work for students in 9th through 12th grades (and youths of equivalent ages) to assist them in remaining in or returning to school; and with such employment opportunities developed in consultation with educational authorities to enhance, to the extent feasible, the educational growth of such students; (8) Relocation assistance; (9) The development of job opportunities including activities designed to promote job restructuring and redesign for the purpose of providing more effective utilization of manpower; (10) Incentives to public or private employers including reimbursements for a limited period when an employee newly hired or being upgraded might not be fully productive; (11) Training for specialized or other personnel and technical assistance; and (12) Such other programs and activities as the Secretary deems necessary to carry out the purposes of this Act.	(3) similar special programs for persons 45 or older; (4) training for employed persons needing additional skills; (5) basic education and communications and employment-skills programs for persons who intend and will be able, at the same time or later, to pursue occupational training leading to reasonable expectation of employment, or who do not need occupational training but still need special preparation; (6) physical exams, medical treatment, prosthetic devices for eligible participants; (7) experimental part-time training for employed and other persons to meet skill shortages; (8) OJT programs, particularly those providing career ladders; (9) part-time employment and work experience for students (grades 9-12 or equivalent age) who need earnings to remain in school; (10) work and training programs for unemployed, underemployed, or low income persons (16 or older) designed to help them develop their potential for work and get regular competitive jobs; (11) community beautification or betterment programs providing work opportunities for the chronically unemployed or underemployed with poor employment prospects; (12) new career programs for unemployed, underemployed, or low income persons designed to improve physical, social, economic or cultural community conditions; (13) work and training programs for severely disadvantaged persons in rural and urban areas with large concentrations of low-income, unemployed persons and in rural areas with substantial out-migration to the cities; (14) referral of persons completing training to jobs outside their own neighborhoods; (15) work experience, family and supportive services for needy persons; (16) supplementary supportive and follow-up services, including health services, counseling, day care for children, transportation assistance; (17) conveniently located employment centers and mobile employment service units; (18) programs authorized in Sec. 12(a) (see Item No. II,B, below) particularly for intrastate and local employers; (19) skill centers, operated in cooperation with State education and other appropriate agencies, to provide basic education, employability and communications skills, prevocational training, vocational and technical programs or training supplementary to OJT; (20) relocation payments for unemployed; (21) guidance, counseling, testing, and job referral for unemployment and underemployed persons; (22) programs to evaluate effectiveness of programs under the plan;	of employment practices that will remove unreasonable barriers to employment; reduce youth unemployment; and support and encourage upgrading. Sec. 102. In meeting responsibilities, Secretary shall, to the extent needed in each State and local area, provide a comprehensive manpower services program, to include: occupational counseling and testing services; basic education; outreach; prevocational orientation; short-term work experience with public and nonprofit agencies; communication and employability skills; occupational training for skills; OJT by public, nonprofit and private employers; part-time training; part-time employment for low income students (9th-12th grades or age equivalent) to assure school attendance; new careers; incentives to private and public employers to train or employ; skill training centers; supportive and followup services; employment centers and mobile employment service units; special job development efforts; job coaching; and relocation assistance. Any services may be through residential programs. Sec. 103. Secretary provide manpower services directly or through contracts with public or private agencies without requirement for advertising for bids. Sec. 104 requires Secretary to select mode of operation most economical or efficient with services provided on nondiscriminatory basis, tailored to individual needs, convenient for participants, and appropriate standards for OJT. Title II-Occupational Training in Industry. The Secretary is to contract with private or public employers for upgrading programs, assuring certain standards. Sec. 203. Provides for payment to the employer in an amount equal to: 90% of training costs and trainee wage payments, less the value of productive services; plus bonus payment to reward efforts, computed as follows: 12 months after program completion 25% of the sum arrived at by multiplying the number of employees upgraded under such program by the average increase in annual earnings of these upgraded employees; and after the second 12 months 10% of the sum. Sec. 204. Authorizes financial support for manpower utilization studies by employers in industries with unskilled employees. Title III-Public Service Employment Secretary may contract with any Federal, State, or local governmental agency, or with any private nonprofit organization, to provide useful public service employment to unemployed persons,

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II. A. (Cont'd) -- Training and Services		(23) education and training for migrant and seasonal farmworkers; and (24) cooperative working relationship between education and training institutions and private employers. In addition, Section 12 authorizes certain Federal Services and Programs (See Item No. II. B, below.)	with preference given to upgrading, and amount of total cost contractor assumes. Requirements of the contract are prescribed, including employee benefits and protection, and maintenance of effort.
II. A. (Cont'd) Training and Services: 1. Program Standards	Section 108--Program must provide: (1) Allowances as appropriate (See Sec. 109) (2) Appropriate conditions of employment and training (3) Health and safety standards (4) Workmen's compensation (5) Non-discrimination (6) Non-sectarian and non-religious projects (7) No displacement of employed workers or impairment of existing contracts (8) No aid in relocating establishments or in establishing new affiliates if increased unemployment would result (9) Maintenance of effort (10) Reporting as the Secretary of Labor may require	Program standards are incorporated into requirements of the State agreements (Section 6, see item No. VI, B, 1, below) and contents of State plans (Sec. 7, see item No. VI, B, 2, below.).	Sec. 104. Criteria for carrying out Title I (Manpower services) emphasize economic, efficient operation to provide services quickly and effectively; on non-discriminatory basis; convenient to individual; and tailored to individual needs. Sec. 202. Criteria for upgrading include maintenance of effort, selection of trainees (see "eligible persons," below), adequate training content and reasonable progression; reasonable training period; adequate and safe facilities; personnel recordkeeping; reasonable expectation of employment; and appropriate compensation. Sec. 302. Criteria for public service employment include employing, to the extent possible, "eligible unemployed persons," appropriate wage rates, employee benefits and protection, and maintenance of effort.
II. B. Special Federal Services Authorized: 1. Job Corps	Title II--Job Corps transferred from Director, OEO, to Secretary of Labor, effective July 1, 1971, with some modifications of provisions, effective on date of enactment.	Section 10 -- Job Corps transferred from Director, OEO, to Secretary of Labor, effective July 1, 1969.	No specific provision for Job Corps. Sec. 102 provides that any services may be through residential programs.

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II. B. (Cont'd) Special Federal Services Authorized: 8. Reserve Account of Secretary of Labor	Sec. 601(d). 20% of funds appropriated for Titles I, III, VI may be expended by Secretary as he finds necessary to carry out the purposes of Act. May include Title I programs.	Section 12 -- Giving special priority to low-income, chronically unemployed, the Secretary may directly, or through grants, spend 30% of funds appropriated for grants for: (1) programs that can only be effectively carried out on a national or multistate basis; (2) programs under Title I, MDTA; (3) programs supplementing State plans and meeting national, interstate, or regional needs; (4) incentives to private employers; (5) Model Cities supplements; (6) educationally-oriented projects (with approval of the Secretary of HEW) if Secretary of HEW finds educational community, in a manpower context, is modifying its methods and developing links with industry, labor, and other groups; (7) experimental and demonstration programs in correctional institutions.	No specific provision. Secretary of Labor carries out Act directly or by contract with any public or private agency.
III. ELIGIBLE PERSONS	Section 107 -- Program participants must be: (a) unemployed, underemployed, low income, or otherwise disadvantaged, 16 or older, not prepared for employment, or other persons authorized by the Secretary of Labor. Section 202 (Job corps) -- Must be 14 and not yet 22.	Sections 6(4) and 6(5) -- Special emphasis must go to employment and training needs of persons from poverty families; the Secretary, however, establishes priorities regarding "target" groups on the basis of national need. Section 12 -- Priority for federally run programs to go to low-income and chronically unemployed.	No specific criteria for Title I manpower services, except a worker in need of services to share in program of guaranteed job or training-and-job. --Title II upgrading programs requires (Sec. 202(a)) selection of trainees based on merit, ability, and length of service, and no person selected as trainee until employed by employer at least six months. --Title III public service employment defines (Sec. 310) "eligible unemployed person" as anyone age 18 to 65 able and willing to work who has been out of work five weeks or more or working less than 35 hours/wk. for 10 weeks.
IV. ALLOWANCES AND COMPENSATION	Section 109--Basic full-time institutional training allowance is half the average weekly wage in UI-covered employment in trainee's home State to be reached in three steps--40% in FY 1971, 45% in FY 1972, 50% on July 1, 1972; PLUS $5 weekly for each dependent up to six. UI recipients get UI and supplement if necessary to make up full allowance. Welfare clients get their welfare payment plus $30 monthly incentive. Part-time trainees get suitably adjusted allowances. Youth 18-22 get full basic allowance. Trainees, other than head of household, and 22 years or over get one-half of basic allowance to defray incidental cost of training. OJT wage must be legal minimum or going rate. "Completion bonus" of two extra weeks allowance will be paid on completion of institutional-type training 15 weeks or longer. Allowances limited to 104 weeks. Special provisions for special cases, e.g., under 18, mixed program (part employer-paid, etc.). Additional allowances for transportation and maintenance, in an amount prescribed by the Secretary in regulations.	Criteria for fixing allowances and compensation in each State shall be established in agreement between Secretary and Governor.	Sec. 103--Secretary authorized to pay weekly allowances, as appropriate, for maximum of 104 weeks. Basic rate is FLSA 40 hour minimum but trainee may receive a higher amount if job entry rate or State minimum is higher. Additional sums for special circumstances, such as meals and travel. Allowances may be adjusted for training outside continental USA. Welfare recipients protected against any allowance being considered as income. Trainees considered U. S. employees for disability and death benefits. Employed trainees (Title II upgrading) must receive appropriate wage rate. Public Service Employment (Title III) wages must equal prevailing area wage and benefits must include workmen's compensation, retirement, health benefits, etc.

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V. COMPLEMENTARY MANPOWER PROGRAMS A. R&D, Evaluation, Technical Assistance, Research	Title III--authorizes manpower research, experimental and demonstration program, comprehensive labor market information open to public and private use, new manpower utilization program to ease labor shortages, evaluation of all aspects of all programs, staff training, and technical assistance. Section 616--creates new EOA Title I-B. Authorizing separate OEO research, experimental and developmental programs on employment and employment-related problems of the poor, including authority covered in Section 113(b) and 113(c) of current EOA.	Section 13 -- Secretary carries out research, demonstration, and evaluation programs to help States and metropolitan areas make their programs more effective. Secretary evaluates programs and services using State data systems to maximum. Secretary to provide training for personnel and technical assistance to States. Section 17 -- The Secretary shall make arrangements with the Secretary of HEW whereby the latter will supervise and evaluate all instructional training provided by the Act to assure it is of high educational quality. Also retains Title I, MDTA	Title IV - Evaluation; Technical Assistance: Staff Development Title V - Manpower Research and Development (including Labor Market Information and Job Matching Program).
B. Job Bank	Title IV -- sets up national, regional, area computerized job bank to match jobs and workers. Systems must be compatible.	Retains MDTA Sec. 106 (b) job matching program	Sec. 504. Provides for a comprehensive system of labor market information national, State and local. Provides for collection of job vacancy data and for man-job matching system.
VI. ADMINISTRATION A. Federal Authority and Responsibilities	A Federal-State-local relationship is established. The Secretary of Labor administers a grant program, issues guidelines and approves State plans. Concurrence by the Secretary of Health, Education, and Welfare is required for programs within the Department's traditional area of responsibility. The Bill embodies "new federalism" to decentralize administration of manpower programs to States and local areas, in accordance with a planning system operated through the prime sponsor concept. Sec. 616 (c) authorizes Director of OEO to conduct research, experimental, and developmental activities in the manpower area.	A Federal-State relationship is established. Secretary of Labor enters into agreement with each Governor to provide manpower services according to a plan developed by the State, after public hearings, and approved by the Secretary. Secretary of HEW approves plan for institutional training. Section 13 -- Secretary to coordinate USTES and SES activities with activities under the Act. Section 17 -- Secretary is authorized to use facilities of other Federal agencies to avoid expense and duplication.	Secretary of Labor has sole responsibility and authority. He provides manpower services directly or by contract with public and private agencies. (Sec. 504(a) cooperation with Secretary of Commerce for economic and business development and location trends for labor market information program.) Sec. 106(b). Secretary responsible for coordination of pertinent activities of all Federal, State and local public agencies and private agencies, plus recommending to President and to Congress shifts in programs and responsibilities. Sec. 603. Secretary use available services of other agencies which are directed to cooperate to extent possible, upon his request.
B. State Authority and Responsibilities	State comprehensive manpower agency to include State ES agency, State UI agency (unless exempted by Secretary), State agencies administering non-Federal manpower programs, State Vocational Education and Vocational Rehabilitation agencies (on request of State), and other related agencies deemed appropriate by the State. Secretary determines whether this new agency is eligible to receive grants under Act. OR Single State "lead" agency experienced in administering manpower programs, designated by Governor by agreement with Secretary.	Governor responsible for carrying out State plan. State planning group established under agreement between Secretary and Governor to consist of appropriate State agencies, including State education agency, State employment service, and representatives of labor, management, private manpower agencies, and the public. State comprehensive plan sets forth methods of administration and organizational structure to be used in its implementation.	No specific provisions for State responsibilities.

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VI. B. (Cont'd) State Authority and Responsibilities	State manpower planning organization including representatives of (a) State agencies for manpower training, employment, apprenticeship, general and vocational education, vocational rehabilitation, welfare, industrial development, labor, economic opportunity, human resources, and other related programs; (b) local manpower, training, and employment programs; (c) typical client groups; (d) general public.		
1. State Agreements	No provision. State authority and responsibility carried out in accordance with approved State plan.	Section 6 -- The Secretary of Labor shall enter into an agreement with the Governor of each State under which a planning group will develop a comprehensive manpower plan. The planning group is to consist of those public and private agencies within the state who are active in manpower development and training. A number of guidelines and standards must be met in such an agreement (See State Plans Contents, immediately below.)	No Provision.
2. State Plans (Contents)	Section 104--State annually submits for DOL approval multi-year plan providing for: (1) Conduct of programs under this Act and Wagner-Peyser Act in accordance with guidelines, for the purpose of providing comprehensive assistance to individuals; providing job opportunities and work experience for unemployed and disabled; decreasing the number of public assistance recipients; meeting skill shortages; more effective use of manpower in economy. (OEO Director to be consulted with respect to guidelines; Secretary of HEW to concur on rules, regulations, and guidelines with respect to health, education, and welfare components of the plan.) (2) Development of standards for evaluating effectiveness of programs carried out under plan; (3) Establishment and support, subject to Governor's leadership, of State manpower organization which, in consultation with interested State agencies, shall develop State's comprehensive manpower plan; (4) Establishment of area planning advisory bodies for areas in which Prime Sponsors are designated; (5) Assurances that State and area planning bodies operate effectively and are properly staffed; (6) Participation of members of low-income groups in the planning and evaluation of State and area programs; (7) Such other assurances or information as the Secretary may find necessary to carry out the purposes of this title.	Sections 6 and 7 -- Sec. 6 requires that a number of guidelines and standards must be met in such an agreement including: (1) a 3 year manpower plan describing the present and projected needs for manpower programs and setting forth long-range program objectives; (2) an annual program plan describing the allocation of programs, services, and activities for the coming f.y. and relating those actions to the program objectives set forth in the long-range plan; (3) the requirement that each comprehensive manpower plan give special emphasis to the employment and training needs of persons who are from poverty families using as an index of poverty the size and composition of the family and its farm or non-farm status; (4) the setting forth of priorities in terms of target groups, and varieties of programs established by the Secretary in the light of national needs; (5) the setting forth of a job placement program including the facilities of the Employment Service and other sources which will be available both to persons who have completed training under a comprehensive manpower plan and to other persons; (6) the utilization of all public, private, and non-profit agencies which are capable of contributing to the program, with priority given to skills centers and other education and training programs operated or arranged through State and local educational agencies.	No provision. This bill places responsibility upon the Secretary of Labor for delivery of those services which will guarantee suitable work, including required training. He carries out responsibility directly or by contract with public or private agencies.

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VI. D. (Cont'd) State Authority and Responsibilities E. State Plans (Content) (Cont'd)		Section 7 requires that: (a) Before the Governor may submit a plan to the Secretary, a public hearing shall be held. The comprehensive manpower plan of a State must: (1) place responsibility for carrying out the plan in the Governor; (2) provide for manpower programs consistent with the needs and resources of the State; (3) set forth clearly a method of administration and the organizational structure to be used in carrying out the plan; (4) meet the guidelines and standards prescribed by the Secretary; (5) be prepared by a planning group the members of which are appointed by the Governor; (6) provide for coordination of the State plan with programs carried on by metropolitan areas within the State; (7) take into consideration manpower programs carried on in connection with Model Cities, Appalachian regional development, Economic Development areas, or any other Federal or State law; (8) set forth careful fiscal control and fund accounting procedures and (9) provide for keeping necessary records and making periodic reports to the Secretary. (b) The comprehensive manpower plan may include a number of programs for individual participants spelled out in the act.	
VI. D. State Authority and Responsibilities (Cont'd) E. State Plan (Approval)	Governor approves plan developed by organization for submission to appropriate Federal agencies. Section 102--Identity of local or area prime sponsors shall be included in State plan and subject to approval by Secretary. Area plans prepared by prime sponsors shall be included in State plan if Governor finds them consistent with DOL requirements. If area plan is changed by the States, prime sponsor may appeal to Secretary. If Secretary determines area plan is consistent with requirements, it shall be included in State plan. Section 104-- Secretary of Labor shall determine whether State plan meets requirements of Act, except that determination of noncompliance may not be made without concurrence of Secretary of HEW on matters in which his concurrence was required in the approval of grants. Secretary may approve all or part of a plan. If State does not comply with any part of its plan, the Secretary of Labor may reduce its grant and make other arrangements to provide services set forth in the plan.	Secretary shall not approve plan if (a) it fails to meet requirements of Act and standards and guidelines as established through agreements with State (Section 8), or (b) if he is not satisfied that State is maintaining its manpower and vocational education efforts (Section 16). The Secretary of HEW must approve institutional training in plan, including training in skill centers. (Sec. 8) A political subdivision dissatisfied with a plan submitted by Governor may appeal to Secretary of Labor who shall not take action on plan until after a hearing. (Sec. 8) Sec. 9. Whenever Secretary, after opportunity for hearing, finds that the plan no longer complies with requirements, shall withhold payments.	

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VI. B. (Cont'd) State Authority and Responsibilities: 3. Funding State Plans (See also, Use of Funds, Item No. VII, A, 2, below.)	(a) States with fully approved comprehensive manpower agencies and plans will receive 66 2/3 % of apportioned funds. (Sec. 102) (b) States meeting standards of exemplary performance promulgated by Secretary of Labor (with concurrence of Secretary of HEW re health, education, and welfare programs) will receive 100% of apportioned funds. (Sec. 102) (c) In States with approved plans but no approved agency, Governor (with agreement of Secretary of Labor) may designate a single State agency to oversee or administer State plan. State will receive 27% of its apportionment; remaining 73% will be spent by DOL (directly or through other public or private agencies) to execute State plan. (Sec. 103) (d) If State has an approved plan but no designated single agency, funds will be entirely administered by DOL. (Sec. 103) (e) If a State has not submitted an approved comprehensive plan, the Secretary may provide services authorized by Act in the State from its apportioned funds. (Sec. 106) In addition, the Secretary has authorization to make planning grants for establishing and maintaining State planning organizations and advisory bodies. (Sec. 105) State and local advisory bodies shall monitor and evaluate performance of agencies providing services and can issue evaluations at Secretary's request or on their own motion.	Section 4 -- States with approved plans will receive 70% of funds appropriated for grants under the Act, to help them carry out plan. In cases of noncompliance with an approved plan the Secretary shall, after providing opportunity for a hearing, withhold funds for carrying out plan or relevant portions of it. The Secretary and the Secretary of HEW may then directly operate programs set forth in the approved plan. Section 10 -- If State fails to submit plan, or if Secretary disapproves plan, he and Secretary of HEW shall jointly formulate and carry out plan within State, using State's apportionment. Section 13(d) -- Secretary has authorization to make grants to States covering 90% of cost of preparing State plans.	No provision. Bill provides: Sec. 102. The Secretary provides comprehensive manpower services in each State and local area "to the extent needed." Sec. 103. Secretary carry out Sec. 102 directly or through contracts with public or private agencies, without advertising for bids. Sec. 104. Secretary select mode of operation which, in his judgment, is economical and efficient and provides services appropriately.
VI. B. (Cont'd) State Authority and Responsibilities: 4. Incentive Grants to States	Another 5% of total national funding goes into incentive pool for States or local areas making supplementary effort. These must show exemplary performance and full compliance and put up $1 for each $2 extra Federal funds.	Section 11 establishes a special program of incentive grants to States showing resourcefulness, imagination, and efficiency or spending non-Federal resources to carry out comprehensive plan. Grants in the latter case may not exceed 75% of the amount so expended.	No provision.
C. Local Authority and Responsibilities	Prime Sponsors in SMSA's or other appropriate areas. Prime Sponsors to be designated by Governors from units of local general governments, unless head of a unit or units of local government representing 75% of the population of an area concur on nomination of another public body or private agency as Prime Sponsor. Prime Sponsor so nominated must be designated by Governor. Identity of Prime Sponsor is subject to approval by the Secretary. Local advisory bodies.	No provision.	No provision.

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VI. C. (Cont'd) Local Authority and Responsibilities			
1. Pass-through to the Cities	Each SMSA, or other designated area, is guaranteed a minimum share of the State's apportionment based on its share of the State's labor force and disadvantaged individuals.	No provision. However, Sec. 8 provides that a political subdivision dissatisfied with a plan submitted by Governor may appeal to Secretary of Labor who shall not take action on plan until after a hearing.	No specific provision, although Secretary may contract with any public or private agency.
VI. D. Advisory Bodies: 1. National Manpower Advisory Committee	Continue similar to the NMAC under MDTA.	No provision. (Title II of MDTA repealed)	Provides for NMAC same as in MDTA.
2. Intergovernmental Advisory Council on Manpower	Established an Intergovernmental Advisory Council on Manpower composed of Governors, Mayors and other appropriate elected heads of local government, to advise on Federal-State-local relations under the Act. Appointed by S/L in consultation with Secretary of HEW.	No provision.	No provision.
VII. LEVEL AND METHOD OF FUNDING			
A. Authorizations 1. Level	Sec. 611 -- authorizes appropriation of such sums as Congress deems necessary. Two-year money.	Section 3 -- (for grants under Act): FY 1971 $2 billion FY 1972 $2.3 billion FY 1973 $2.5 billion FY 1974 $3 billion and for each succeeding fiscal year such sums as Congress authorizes. Section 11 -- (for incentive grants): FY 1972 $100 million FY 1973 $115 million FY 1974 $125 million FY 1975 $150 million and for each succeeding fiscal year such sums as Congress authorizes.	Sec. 601 -- Authorizes such sums as necessary. Two-year money.

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VII. A. (Cont'd) 2. Use of Funds (a) Allocation	--75% of funds appropriated for Titles I, III, and VI available for apportionment to States on 10% matching basis. Apportionment criteria shall be prescribed by the Secretary, and shall include the number of individuals in the labor force, the number of unemployed, and the estimated number of disadvantaged individuals in the State as compared with such individuals in the Nation. Secretary designates minimum share of funds for use in any SMSA or other area. (Sec. 601 (a)) --25% of funds appropriated for Titles I, III, and VI available for Secretary to carry out purposes of the Act. (Sec. 601 (d)) --5% of funds appropriated for Titles I, III, and VI available for incentive grants to States on a 33 1/3 % matching basis. (See also, Funding State plan, item No. VI, B, 3, above)	Section 5 -- Seventy per cent of funds appropriated for grants is to be apportioned among the States on fixed formula based on the State's share of the total allotments in the previous year (to cushion against drastic change), the size of the State's nonagricultural labor force compared to that of the United States, the number of unemployed in the State compared to that in the United States, and the State's population, age 14 through 17, compared to that age group in the United States. Except apportionments for Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands shall be $150,000, and no remaining State shall get less than $1 million. (See also, Funding State Plan, item No. VI, B, 3, above.)	No provision.
(b) Matching	Sec. 601 (a). Funds apportioned to the States for grants under Title I may not exceed nine times the contribution made by State in cash or kind, unless the matching requirement is waived by the Secretary. Sec. 601 (b). Incentive grants to States for exemplary performance shall equal $2 for each $1 of non-Federal funds.	No matching requirement for carrying out State plans. Incentive grants under Sec. 11 may be up to 75% of a State's expenditures from non-Federal sources in carrying out its comprehensive manpower plan. Planning grants shall not exceed 90% of the preparation (Sec. 13(d)).	No provision.
(c) Reapportionment	Sec. 601 (c) authorizes Secretary to reapportion funds apportioned to the States, if funds not needed or State not complying with plan. Reapportionment authorized on after 9th month of FY and after 15days' notice to State.	Section 5 -- The Secretary may reallot (on dates fixed by him) a State's apportionment for any fiscal year if he determines it will not be required, or if it will not be spent directly by him and the Secretary of HEW under Sec. 10.	No provision.
VII. B. Additional Authorization for "Active Manpower Policy as an Economic Stabilizer" (Trigger)	Title V ("Active Manpower Policy as an Economic Stabilizer") allows Secretary to overspend 10% of any fiscal year's total manpower appropriation if he finds seasonally adjusted unemployment has been at 4.5% for three consecutive months. He must notify Congress promptly and cease this automatic overspending when unemployment rate falls below 4.5% for three straight months. He can spend where it's needed without following an apportionment formula.	No provision.	No provision.
C. Advance Funding	Sec. 613. Funds may be included in the appropriation Act for the fiscal year preceding the fiscal year for which the are available for obligation. Double appropriation in the initial year to effect a transition.	Section 15 -- Appropriations for payments under Act may be included in the appropriations Act for the fiscal year before the fiscal year for which they are available for obligation.	Sec. 602--Authorizes forward funding and double appropriation in starting year.

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VIII. MISCELLANEOUS A. Existing Legislation Affected	Repeals: (1) MDTA (2) Title V, Part A, EOA (Work Experience and Training) Amends: (3) Title I, Part A, EOA (Job Corps) (4) Title I, Part B, EOA (Work and Training for Youth and Adults) Other: (5) Wagner-Peyser Act (Federal/State ES system) (6) Other manpower-related legislation.	Repeals (effective July 1, 1970): (1) Titles II, III, and V, MDTA (2) Title I-B, EOA (3) Title V, EOA Amends: (4) Title I-A, EOA (Job Corps transfer) (5) Section 107, MDTA (Manpower Report) Extends: (6) Sections 161 and 501, EOA Other: (7) Manpower-related programs	Repeal: (1) All MDTA except Title IV, seasonality (2) Title I, Part B, EOA
VIII. B. Effects on Existing Legislation	(1) Incorporates major MDTA programs (2) Eliminates EOA-Title V, Work Experience and Training (currently supplanted by WIN under Title IV, SSA) (3) Transfers Job Corps to DOL. Requires consultation with HEW on institutional training for JOB CORPS enrollees. Authorizes agreements with States or local prime sponsors to administer or assist in the administration of Job Corps programs. (4) Eliminates NYC, Operation Mainstream and other categorical programs now authorized by EOA I-B. Authority for such programs is provided by Act on decategorized basis. Substitute EOA Title I-B (Sec. 616(c)) authorizes OEO program of research, experimental and developmental activities in the employment and employment-related problems of the poor. (5) Stipulates that State comprehensive manpower agencies receive funds under Wagner-Peyser and administer or provide for the administration of its programs (Sec. 102(a)(1)(6). State plans to provide for conduct of such programs (Sec. 104(a)(1). (6) Requires any State plans pertaining to manpower or related employability services submitted to DOL or HEW under other Acts to be reviewed by State manpower planning organization. Governor may revise such plans. (Sec. 104(a)(3))	(1&2) EOA and MDTA programs aimed at poor authorized by Act, but on decategorized basis. (3) Eliminates EOA, Title V (4) Transfers Job Corps to DOL (5) President's Manpower Report to include information regarding educational programs which relate to purposes of Act. (6) EOA Work and Training, and Work Experience and Training may be operated through fiscal 1971 to provide for orderly transition. (7) State plans must take into consideration Model Cities, Appalachian Act, Public Works and Economic Development Act, and other Federal or State manpower programs.	All MDTA except Title IV (study of seasonality in construction trades), and all Title I, Part B, EOA are repealed but Secretary of Labor could use authority in these two laws for two years, as needed for transition.

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NEIGHBORHOOD YOUTH CORPS PROGRAM

The out-of-school Neighborhood Youth Corps Program is being redesigned. The basic thrust of the redesign is to change the mix of enrollee activities to one in which there is more emphasis on education, remedial activities, and job training directly related to future employment. The Neighborhood Youth Corps Program will serve 16 and 17 year-olds and its role as an income maintenance effort is being diminished.

By the end of 1969, the total number of NYC enrollees will be reduced by one third (about 14,000 slots), in order to produce the 34 million needed to fund the Public Service Careers Program. The policies being established by the Department provide that no enrollee already in the program will be dis-enrolled for any other reason than expiration of the two-year maximum period in an NYC program. This means that local NYC programs will have to reduce their enrollee level by attrition but they will not be forced to dis-enroll any current enrollees. Of course, there will be no new enrollment of 18-year-olds (except in rural areas).

In areas where the reduction in the size of the NYC Program makes a program too small for efficient operation (the breaking point will probably be about 50 enrollees) and there are no effective alternatives available for employment, a combination of NYC with Operation Mainstream (with the age requirement for Operation Mainstream lowered) will probably be established. This is most likely to happen in rural areas where JOBS and Public Service Careers Programs may not exist. The Department is clearly moving away from what they see as "make work" programs in favor of programs in which the enrollee is hired by an employer and trained later. This concept also means that the government wishes to move out of the situation in which enrollee wages are directly paid by the government in favor of a situation in which costs of training would be paid with the employer paying the wages of the enrollee.

NACD is in the process of evaluating this redesign in conjunction with NYC directors throughout the country. The DOL draft redesign document is found on the following pages.

NATIONAL ASSOCIATION FOR
COMMUNITY DEVELOPMENT

DEPARTMENT OF LABOR DRAFT

THE OUT-OF-SCHOOL

NEIGHBORHOOD YOUTH CORPS PROGRAM

REDESIGN

The Department of Labor proposed to redesign the Neighborhood Youth Corps program. Numerous evaluation and research studies by outside contractors, and our own assessment of the results from NYC for enrollees, have led us to conclude that the present design can provide only income maintenance, a maturing experience, and limited socialization for enrollees--but little training and relatively few jobs. For example, in 1968, 72 per cent of those youths who left NYC within six months of entry did not get a job after they left.

The Department proposes to operate a 2-track system for NYC during the balance of this fiscal year. The suggested allocation of sponsors, slots and funds between these tracks are discussed in this paper.

Features of Improved Design

The new design would be implemented in all standard metropolitan statistical areas. The goals of the improved design are: (1) to return the youth to school; (2) to give skill training and place him in skilled jobs; or (3) to prepare him for semi-skilled employment and place him in semi-skilled jobs.

In such areas where there were JOBS or other Federal manpower programs capable of handling youths 18 and older, the O/S NYC would be limited to school dropouts age 16 and 17. In such areas where there were no Federal manpower programs for older youths, the O/S NYC would continue to enroll youths age 16 to 21.

In non-SMSA areas where the economy is not growing, the O/S NYC would continue as an income-maintenance, work-experience program for youths 16-21 through the remannder of Fiscal Year 1970, while national pilot efforts were made to develop a new design more relevant to rural problems, along the lines indicated below.

Three basic goal patterns are contemplated, as described below. Each trainee would be assigned to one of these, based upon the initial assessment, during which the counselor and trainee would have to construct a mutually satisfactory long-range training plan. If later assessment indicated the need for a switch from one pattern to another, this could be done.

Projects could provide the following components: assessment and orientation to the project, assistance in returning to school, health services, counselling and coaching, innovative remedial education, skill training, work experience, orientation to the worlds of work and education, personal development training, job development, placement and followup.

Trainees would not receive wages. Instead, they would receive weekly stipends of about $25 and occasional earned bonuses. With the switch to stipends, the bulk of a project's funds would be available for greater staff efforts, supportive services, and sub-contracts with local institutions of firms for remedial education and/or skill training.

Remedial education or skill training ordinarily would occupy the bulk of the trainee's time in any of the goal patterns. The amount of time permitted in work experience would be limited to a small share of the trainee's total time.

First Goal Pattern--Educational Preparation

Return to Secondary School: The first effort in the intial assessment and orientation of all trainees would be to determine whether the youth were capable of returning to and completing high school--and, if so, to help him return. Such help also could be given trainees in any of the three patterns at any later point.

Preparation for Post-Secondary Education or Technical Training: Those youths who had the capacity for and interest in future enrollment in a community college or post-secondary technical school would be provided whatever education, counselling, prepping, pre-skill training, or other assistance where necessary to help them qualify and gain admittance.

> EXAMPLE 1: A typical trainee in this pattern might have a training plan totalling 18 months. After initial orientation and assessment he would go into remedial

education half-time and work experience half-time for about 3 months. For the next 6-9 months, he would spend most of his time in remedial education, with a few hours in orientation to the world of work and education. The initial focus in remedial education would be the GED test. Once that were passed, the focus would move on to wider academic preparation, and during the last 6 months to prepping for entrance exams. In his last 6-9 months, he would split his time among remedial education, pre-skill or pre-professional training (when needed), personal development training, orientation to the world of work and education, perhaps another period of work experience, and specific preparation in regard to all elements in the transition to post-secondary education or technical training (acceptance, housing or transportation, personal adjustment, part-time work, scholarships, etc.). Health services and counselling would continue throughout.

Second Goal Pattern--Skill Preparation

GED: All trainees who possibly could do so would be given sufficient remedial education and counselling to enable them to pass the GED.

Apprenticeship: Where appropriate and feasible, trainees would be prepped for the taking of apprenticeship tests and aided in the effort to achieve apprenticeship status.

Performance Ability: Most trainees in this pattern would be taught specific salable skills or trades. Wherever possible, arrangements would be made for recognized certification of their proficiency levels and for participation of future employers in their training.

> EXAMPLE 2: A typical trainee in this pattern might have a training plan covering 12 months. After the initial orientation and assessment, he might be in work sampling orientation to the world of work for another 2-4 weeks to better define his talents, followed by 6 months of half-time remedial education and half-time work experience, followed by 2 months of half-time pre-skill or skill training with quarter-time remedial education and quarter-time orientation to the world of work, followed by a 3-month terminal placement of the Work Training in Industry or JOBS type during which part-time remedial education would continue if needed. Health services and counselling would be provided throughout the 12 months, and personal development training would be provided if needed.

Third Goal Pattern--Job Preparation

Trainees who did not have the capacity, aptitude or interest for either of the other patterns would be prepared for specific unskilled or semi-skilled entry jobs. Preparation would include as much basic education as possible and sufficient pre-skill training so they could learn to perform their competitive job adequately.

> EXAMPLE 3: A typical highly disadvantaged trainee in this pattern would receive the usual 2-week orientation and an extended period of orientation and assessment if needed. The initial month might be spent in full-time work experience, gradually stepping down to less time as the time spent in basic education could be increased. Since only 3 months of every 12 could be spent in work experience, and since this trainee has so many problems, after the first few months he would spend one-fourth to one-half his time in basic education (depending partly on his motivation) and the rest in pre-skill training (tool orientation, etc.), personal development training, counselling, health remediation, and orientation to the world of work (with emphasis on specific job-finding and job-holding behaviors). During the second year, there would be another 3-month stint in work experience. A terminal WTI or JOBS type placement would also be arranged for the trainee but at an acceptable level appropriate to his training.

Linkages

Though the O/S NYC would not operate primarily as a feeder into other manpower programs, there would be requirements for local projects to link up with, or tie into, other Federal programs at various points. Such programs include the In-School NYC and other educational programs--Vocational Education, Cooperative Education, Adult Basic Education, etc.--OJT, JOBS, MDTA, CEP, PSC, and Job Corps.

Status of Old Design in Other Areas

Since there are few post-NYC job opportunities in declining rural areas regardless of a youth's level of preparation, the improved design outlined above is not appropriate for such areas. Furthermore, the administration of projects under the improved design would be more costly in the typically small project where few resources are available.

Although the improved design is not appropriate for such areas, the present design can offer nothing better for the long run. In the press of circumstances, it will be necessary to continue the present design in declining rural areas for the remainder of Fiscal Year 1970; but we hope to take the steps outlined below to rectify the situation for Fiscal Year 1971.

Between now and the start of Fiscal Year 1971, we propose to develop a new design, begin pilot operations in a few projects, and perform operational planning in a number of projects for the transition to a new design. We propose to set aside from $4 million to $6 million for this effort in Fiscal Year 1970. Of course, final decisions on the nature and implementation of a new design would not be taken until staff proposals were developed in detail.

It is our preliminary conclusion that projects for young dropouts in declining non-SMSA areas should have a mobility component of some sort. The relatively more advantaged youths are likely to leave such areas without assistance. With help, the less advantaged can obtain training and jobs and make a permanent transition to industrial life also.

Data from the E&D mobility projects funded by the Department of Labor during the past four years show that 60 per cent relocated less than 300 miles from their original home and that 57 per cent of the relocations were to areas with populations of less than 250,000. Thus, migration and mobility no longer need mean the influx of millions of people directly from the farm to the far away big city. While half the nation's 2,000 rural counties export workers to overcome their economic decline, the other half add enough non-farm jobs to offset the loss of farm employment. The smallest rural towns are declining, but the larger towns are increasing in population. With the trend to decentralization in various industries, there are a significant number of rural or semi-urban growth centers. Those with the most rapid growth rates experience labor shortages as they absorb all of the local labor supply. They then become attracted to immigration.

The Transition to New Designs

Extensions: Projects slated to continue under the present design for the remainder of Fiscal Year 1970 would be given funds for extensions through July 15, 1970. The funds we propose would permit these projects to increase enrollments slightly, from the current 67 per cent of the authorized Fiscal Year 1969 level to about 75 percent. Projects slated to operate under the new design would be given funds for extensions from October 15 through December 31, 1969, at their current 67 per cent level. This additional time would permit us to perform state planning, publish new standards and procedures, and negotiate with sponsors.

New Agreements: As of December 31, a new agreement would have to be signed with each sponsor slated for operation under the improved design. We have prepared a new agreement package that would require concrete planning by each sponsor for specified units of service to be provided trainees in the new design.

Training and Technical Assistance: We would provide training sessions of 3-5 days for sponsors and our field personnel at each regional office late in October. Between then and December 31, we would provide on-site technical assistance to help sponsors develop acceptable plans for the improved design.

Project Transition: Prior to December 31, the sponsor and our field personnel would negotiate acceptable deadlines by which new components would have to be fully operational. In at least half the cases, we would expect all components to be fully operational under the improved design within 60 to 90 days after December 31 and all components fully operational by the end of the fiscal year.

Enrollee Transition: Current enrollees who were 18 or older before September 1 and whose projects were slated for the improved design for youths 16 and 17 only, would continue in the work experience format. The project would handle these older youths as a steadily diminishing separate component. Other current enrollees in projects slated for the improved design would continue in the old design and phase into new design components as they became operational. No enrollee of any age would be terminated from NYC on account of this transition in design.

Program Costs

Last spring, various budget pressures indicated the necessity of reducing funds for the O/S NYC from an available NOA of $124 million in Fiscal Year 1969 to an available NOA of $90 million in Fiscal Year 1970.

However, a total of $119 million to $121 million would be spent on the two-track approach explained above. This figure would require a $29 million to $31 million reprogramming from other I B funds. Since JOBS anticipates a 100 per cent expansion and since linkages in the new design anticipate an eventual tie-in to JOBS, the Department believes that this is an appropriate reprogramming. Some consolidation of sponsorship would be desirable to achieve a minimal viable project size. Present budgetary figures are rough estimates only, since projects would operate for undetermined cumulative amounts of enrollee time under the old design with its lower costs, while phasing in the improved design. Once the improved design were operational, we would expect per-trainee-year costs to average slightly over $3,000.

Effect of Additional Funds

Without additional funds, during the period 10/15/69-7/15/70 we would be able to handle only 29,000 enrollee slots at the present cost of $2,800 per year. This would be 58 per cent of last year's enrollment and would require a further reduction from the present 67 per cent. In this situation we would have to either continue all projects in the old design for another year, at an average of 58 per cent enrollment--or implement the new design but terminate about half our projects, mostly in rural areas, in order to bring the average size up to a bare minimal level. Neither of these alternatives is acceptable to us.

With the addition of $29 million to $31 million, enrollment in the new design would average 75 per cent of last year's enrollment level.

PUBLIC SERVICE CAREERS PROGRAM

Utilizing approximately $34 million recaptured from cutbacks in the Neighborhood Youth Corps Program, the Department of Labor has initiated a new effort called the "Public Service Careers Program."

The following pages contained excerpts from the guidelines for that program as well as the analysis which NACD forwarded to the Department of Labor concerning those guidelines. Only one of the suggestions in the NACD comments, discussion of relationship between PSC and other programs, has been accepted to date. The text of a memorandum from NACD to Director Donald Rumsfeld of the Office of Economic Opportunity on those guidelines is also included.

I. SUMMARY STATEMENT ON THE PUBLIC SERVICE CAREERS PROGRAM

Public Service Careers (PSC) is a new manpower program created to secure, within merit principles, permanent employment for the disadvantaged in public service agencies and to stimulate upgrading of current employees, thereby meeting public sector manpower needs.

Institutional and individual barriers now prevent the most effective and efficient use of human resources in public service. Institutional barriers include outmoded job structures; inadequate recruitment, selection, and training systems; and insufficient staff or funds to modernize public personnel systems. Those barriers centered in the individual include inadequate education, lack of necessary vocational skills, poor orientation to the world of work, medical, transportation and child care problems.

PSC aims to attack these problems by providing funds to state and local governments and federal agencies for innovative projects directed toward overcoming or eliminating existing barriers.

Removal of these barriers will result in alleviation of many manpower shortages in public agencies, more effective provision of public services, removal of many disadvantaged people from unemployment and welfare and, as a result, wiser investment of the taxpayer's dollar.

Just as there are many different barriers that prevent disadvantaged persons from entering public service or prevent other employees from being upgraded, so there may be many possible ways to overcome such barriers. In Fiscal Year 1970, PSC will explore three major strategies for meeting state and local manpower needs. In addition, there will be a parallel effort in the federal government. Table 1 briefly outlines the characteristics of these strategies (called "Plans").

Within these strategies, the program will be flexible enough to accommodate a variety of innovative program designs. Thus, rigid operational standards have not been established; rather, both required and preferred program features have been defined for potential sponsors (contractors). Proposals will be evaluated in such a way as to encourage the development of innovative programs which meet the particular manpower needs of the sponsor.

Table I

Summary of PSC Plans

+	Eligible Sponsors	Eligible Clients	Program Concepts
Plan A: Entry & Upgrading in State, Local, and County Governments. Funds available: $18 million	State, county, & local governments, & independent special districts.	Entry jobs are restricted to"disadvantaged" persons. Upgrading emphasis is on low income persons. (See appendices for definitions of"disadvantaged" & "near poverty.")	Federal funds are available to cover the extraordinary costs of removing institutional and individual barriers to employment of disadvantaged persons & upgrading of current employees. Sponsor pays participants' wages. Hire now, train later.
Plan B: Employment and Upgrading in Grant-in-Aid Programs. Funds available: $10.2 million	Same as in Plan A, but must be recipient of Federal grant-in-aid funds. Sponosrs will be invited by the Federal grant agency to submit proposals.	Same as in Plan A	Agreements negotiated at national level between DOL & various Federal agencies to build manpower components onto grants-in-aid. After initial arrangement individual projects will be negotiated . Basic concepts are as in Plan A.

Summary of PSC Plans contd.

	Eligible Sponsors	Eligible Clients	Program Concepts
Plan C: New Careers in Human Services. Funds available: $14.3 million	Human Service agencies governmental and private non-profit.	Same as in Plan A although there is no provision for upgrading of current employees. New Careerists are those upgraded.	Standards are those of present New Careers Program. Wage supplement funds are provided. Projects will be largely limited to ongoing non-CEP New Careers projects.
Plan D: Entry & Upgrading in the Federal Service. Funds available: $7.5 million	Federal agencies.	As determined by the Civil Service Commission or the agency. Criteria will be similar to "disadvantaged." Upgrading will focus on lower level employees.	Additional employment opportunities to be provided through worker-trainee supplement exam and through new apprenticeship recruitment methods.

II. STATEMENT OF THE PROBLEM

A. Unutilized and Underutilized Manpower Resources

In 1968, the national unemployment rate was down to 3.6 percent, the lowest level since the early 1950's, yet serious problems of unemployment and underemployment still were evident. The young, the low-skilled, and the members of minority groups continue to have severe unemployment and underemployment problems. In 1968, 600,000 persons were unemployed for more than 10 weeks, and nearly 2.0 million persons were involuntarily restricted to short work weeks, averaging about 21 hours of work per week. Additionally, many full-time workers could be classified as "poor" or "near poor"; data for 1966 showed that 6.8 million persons worked 50-52 weeks per year but earned less than $3,000.

Beside those persons included in the unemployed and underemployed indices, there is a sizeable group of persons who want work, but for a variety of reasons do not seek it. In 1967 about two million persons reported that they wanted to work, but were not seeking jobs because of family responsibility (1.3 million) or because they believed it impossible to find work (700,000).

B. Public Sector Manpower Needs

Government employment has been one of the Nation's most vigorous growth sectors since World War II. From 1948 to 1968 government employment more than doubled, increasing by 116 percent during this period.1/ During the last decade the most rapid expansion has occurred in state government which increased by nearly 70 percent, or over 1 million employees. Local governments expanded by 55 percent, adding over 2.4 million employees. During the same period, federal employment increased by 24 percent.

In 1968 public employment encompassed more than 12 million people--about 15 percent of the entire labor force. Of this number, almost 3 million were federal employees; 2.5 million were state employees; 6.8 million were local.2/ Since World War II, three out of every 10 new jobs have been in the public sector.

1/ Source: Bureau of Labor Statistics, Employment and Earnings Statistics for the U.D. 1909-1968 and Employment and Earnings and Monthly Report on the Labor Force, March 1969

2/ U.S. Bureau of the Census, Public Employment in 1968

Public employment will continue to grow in the coming years--an estimated 48 percent from 1965-1975. A Bureau of Labor Statistics report prepared in 1966 projected that more than 3.5 million employees would be added to state and local governments during 1965-1975. (Appendix II shows the projected increase in state and local government expenditures and employment by selected function.) Bureau of the Census figures indicate that an equivalent of 424,000 full time state and local government employees were added in the year preceding October, 1968.

Many of these public service jobs are professional (e.g., school teachers and social workers). As shortages of persons to fill these jobs have occurred, however, many public agencies have redesigned the jobs, removing nonprofessional tasks and giving them to preprofessionals to perform.

III. GENERAL PROGRAM CONCEPTS

A. Purpose and Goals of the PSC Program

The preceding information points out increasing public sector manpower needs, coupled with persistent unemployment and underemployment in various segments of our population. A wide variety of institutional and individual barriers include outdated public personnel systems, lack of agency funds for job restructuring and career development, discriminatory hiring practices, unnecessary entrance requirements. Personal barriers of the disadvantaged individual include inadequate education, lack of skill training and poor work attitudes. Child care and transportation problems are examples of environmental barriers.

Existing barriers, individual, environmental or institutional, can, and should be, overcome in order to develop human resources in a sophisticated manner to meet public sector manpower needs of the present and future. The Public Service Careers Program will provide funds to governments at all levels to implement innovative proposals which attack these barriers.

The goals of the PSC program are to secure, within principles, permanent employment for disadvantaged persons in public service agencies and to stimulate upgrading of current employees, thereby meeting public sector manpower needs at all levels. Emphasis will be placed on overcoming or eliminating the various types of barriers to entry and upgrading. The full range of barriers will be attacked through both short-term remediation and long-range reforms. (See Table 2 for examples of barriers and ways they might be attacked under PSC.)

B. Impact of PSC

A major result of PSC will be the improvement of public personnel administration. The task analysis and staff development activities funded under PSC are widely recognized as needs by public personnel specialists, but funds very often have not been available to provide them. Also, by enabling disadvantaged people to be hired and trained for jobs they could not get previously, PSC will provide public agencies with trained employees to perform vital services and will also enable the civil service to provide employment to citizens who may have been excluded before.

If public agencies are successful in their PSC-funded efforts to modernize their personnel or merit systems, PSC will ultimately have an impact extending far beyond those projects directly supported by it.

Once successful methods of overcoming barriers to civil service employment are found, employment opportunities can then be expanded for all disadvantaged persons. Moreover, through upgrading of present employees and improving manpower management, all employees will benefit.

Similarly, once job restructuring has been done, and jobs at successive levels of a career ladder have been precisely defined, current employees will have more opportunity to move up to the next rung on the ladder, thereby opening up entry-level job vacancies. A multiplier or ripple effect can be expected as the benefits of job restructuring are felt throughout an agency or system.

The Public Service Careers Program is not intended ot circumvent or handicap any civil service merit system in the country. It is, on the contrary, designed to help get the public's business done most efficiently and effectively by supporting the nation's fair, open, and competitive merit systems and the principles upon which they were founded.

C. Program Techniques

The concept of "hire now, train later," which is fundamental to the PSC Program, will seem difficult to implement in many merit system jurisdictions. Traditional screening procedures have included certain requirements -- some of them artificial, some partially or wholly justified -- that have represented formidable hurdles for the disadvantaged to surmount. To the extent that merit system procedures disqualify person who possess the ability or potential for capable job performance, projects should include specific plans for modifying such procedures.

Recent experience has shown that some of the traditional obstacles to merit system employment of the disadvantaged need not be as formidable as they appear. For several years now, merit systems at the state and local levels have been seeking, and often finding, ways to facilitate hiring of disadvantaged applicants. As an example, state employment service agencies have hired approximately 2000 nonprofessional employees to date, about 90 percent of them under the applicable merit system, frequently following modifications in traditional merit system practices, policies, and regulations.

There are many approaches merit systems can use to remove artificial barriers to career employment. Among the most common are vigorous recruitment in areas and among groups where unemployment rates are high; removal of unrealistic minimum qualification requirements; occupational analysis and restructuring of jobs; and elimination of certain types of tests, such as traditional written tests, when they are not germaine to the job.

D. Relationship of the PSC Program to Existing Efforts

The PSC Program was created to provide new avenues of employment in the public sector for the disadvantaged and new avenues of career advancement for the currently employed. Thus, it is intended that PSC will not duplicate existing efforts or programs. (The non-CEP New Careers Program will operate under the PSC umbrella.)

It is essential that ongoing federal manpower facilities not be duplicated by the Public Service Careers Program. A substantial investment has been made in training and supportive service facilities connected with CEP, MDTA, the Employment Service, JOBS, CWTP, CAA's, and other manpower programs. PSC sponsors will be required to use existing manpower facilities, unless they receive permission from the Department of Labor to go another route. Written justification must be submitted before permission will be granted.

1. The Employment Service

Agencies involved in PSC should seek the assistance of the Employment Service, which is equipped to provide service through its 2200 local offices located throughout the nation.

The Employment Service has the facilities and resources to provide or coordinate the provision of outreach and other recruitment services, to provide diagnostic and counseling services to potential enrollees, to refer the enrollees to required training and supportive services, and to provide necessary pre- and post-placement follow-through with the enrollees to assure their satisfactory job adjustment.

2. MDTA

Sponsors should give full consideration to the MDTA skill centers operated by the U.S. Department of Helath, Education, and Welfare for provision of job-related education. The sponsor will reimburse the skill center for the training provided.

3. Work Incentive Program (WIN)

WIN enrollees should be refferred to PSC projects where possible and appropriate. As dual WIN/PSC enrollees, these persons are generally eligible for WIN program services, such as child care and work incentive allowances. WIN/PSC enrollees may remain in the WIN program until such time as their salary rates would disqualify them for AFDC.

4. Job Opportunities in the Business Sector (JOBS)

Sponsors should endeavor to form linkages with ongoing JOBS programs. For instance, PSC projects could tie in with JOBS recruitment mechanism. Additionally, the experiences of JOBS employers in hiring and training disadvantaged persons should be examined carefully.

5. Concentrated Employment Program (CEP)

PSC projects may use CEP as a referral source and as a provider of supportive services, such as family counseling, transportaion, day care, education, and legal aid. CEP supportive services should not be used if it is desirable that the capability for such supportive services be developed within the sponsor.

PSC projects tying into CEP supportive services may be required, in some instances, to reimburse the CEP for services provided.

6. Model Cities

The Model Cities Program is a multi-agency approach to meeting the problems of selected slum and blighted urban areas. As such, PSC sponosrs should endeavor to work, when possible, within the coordinating framework of Model Cities. (This may be difficult because of the precise nature of Model Cities target areas.)

Tie-ins between PSC and Model Cities may also be developed through fulfilling the requirement that residents of the target area be employed in all phases of the Model Cities action program.

7. Neighborhood Youth Corps (NYC)

Consideration should be given to enrolling, in PSC, eligible youths 18 years and above who have been terminated from NYC out-of-school projects under the overall NYC program redesign.

8. Job Corps

Job Corps enrollees who have completed training should be considered for enrollment in PSC if that is the most appropriate route to employment for them.

PSC is needed at this time so that new approaches to public sector employment may be tested--approaches such as

encouraging modernizing of personnel and merit systems through funding of staff capability

the "hire first, train later" concept

upgrading for current employees

emphasis on the breaking down of barriers rather than circumventing them for particular individuals.

These approaches have not been adequately tested in previous public employment programs.

If these approaches can be tested and proved effective during the first few years of the program, then the program funds can be decategorized and the program concepts can become tested techniques in the arsenal of the comprehensive manpower program.

E. Program Budget Information

In the Fiscal Year 1970 amended budget request, $50 million has been earmarked for the Public Service Careers Program. Funds are provided through Title I-B of the Economic Opportunity Act and through the Manpower Development and Training Act.

Program funds for the first year of PSC would be spread too thin were they apportioned to each state and territory. Thus, the FY 1970 program will be comprised of a limited number of projects based on imaginative and innovative proposals. There will be at least one PSC project in each region.

IV. DESCRIPTION OF PROGRAM CATEGORIES

This section describes the four plans that comprise the Public Service Careers Program.

Plans A and B each include a list of requirements that must be included in every proposal submitted. In addition, preferred program features are listed. Each potential sponsor will be expected to make provisions to include, when applicable, as many of these preferred features as possible. Preferred program features will be used as evaluative criteria in approval and funding of proposals.

For Plan C, the program requirements remain the same as those established for non-CEP New Careers programs, except for the change in the minimum age, outlined in the description of Plan C.

Plan D, the parallel effort in the federal sector, is subject to Presidential approval and further development with the Civil Service Commission. It is described briefly in this section.

A. Plan A

Employment and Upgrading in State and Local Governments

Plan A funds and technical assistance are available to state and local governments to modernize personnel and merit systems and to facilitate hiring of disadvantaged persons and upgrading of current employees.

Plan A contains two major components--entry for the disadvantaged and upgrading for current employees.

1. Entry

Detailed program standards have not been established. Rather, standards have been divided into required and preferred categories.

A primary requirement of entry-level hiring plans is that the employer hire the PSC enrollee into a budgeted position and immediately begin to train him for that job slot. PSC will reimburse public agencies for allowable costs incurred in hiring and training disadvantaged persons and in updating personnel systems. The employer must pay the employee's salary and fringe benefits out of his regularly budgeted funds.

2. Upgrading

Upgrading is an integral facet of PSC; its use will help alleviate the public employer's more critical manpower shortages while easing impacting at lower levels. About 25 percent of total program funds are available for upgrading activities.

Although it is not expected that upgrading will lead to a 1:1 ratio of persons upgraded to new hires or promotions, upgrading will have a real effect on mobility within the public agency. Upgrading possibilities will also strengthen support of PSC by current public employees because the program will be identified with advancement opportunities for current employees as well as new hires.

It is not necessary that an entry project have an upgrading component. However, upgrading plans will not be funded without an entry-level component.

Job restructuring and new classifications of jobs will often be a primary step before upgrading can be accomplished. It is hoped that,through a system offering upward mobility and jobs which use the capabilities of the employees, entry-level jobs with promotional opportunites based on experience or training will be defined.

The following pages provide details about eligible sponsors, eligible clients, examples of allowable costs, required and preferred program standards, and program implementation procedures for both entry and upgrading components.

ELIGIBLE SPONSORS--PLAN A

States

Counties

Municipalities

Townships

Independent Special Districts

Total funds available: $18m, ($13.5m for entry; $4.5m for upgrading)

EXAMPLES OF ALLOWABLE COSTS
(Entry and Upgrading--Plan A)

1. Training and remedial education for employees hired as a result of PSC (hereafter referred to as enrollees).

2 Entry enrollees' salary costs for time, up to 156 hours per year, spent in training classes only (released time for training).

3. Supportive services for entry enrollees such as child care, medical care, transportation.

4. Counseling and coaching for enrollees or employees being upgraded.

5. Salaried staff positions for persons planning and implementing better human resource management through occupational analysis, staff development, improved organization, and management techniques.

6. Inservice training for agency staff.

7. Technical assistance (coordinated by the DOL national office) in modernizing agency personnel systems including systems analysis of merit system structures designed to aid entry of disadvantaged persons. This assistance will not be charged to individual projects but will be offered through national contracts.

PLAN A--ENTRY LEVEL

ELIGIBLE CLIENTS--Plan A (Entry Level)

1. Disadvantaged persons, as defined in Manpower Administration Order No. 1-69. Although the minimum age of enrollees has been established at 17, some younger persons who have been terminated by a high school may be considered for inclusion.

See Appendix I for text of this Order.

PROGRAM REQUIREMENTS (Entry)--Plan A

1. Entry jobs must be included in the sponsor's budget and in budget planning for the following year.

2. When newly defined jobs are developed through PSC job restructuring, these jobs must be built into second-year budgets.

3. Where a merit system exists, entry positions must be in that system or a commitment must be made to incorporate them into it.

4. Each job must provide full-time permanent employment and pay the rate established for that position. Enrollees must receive the same rate of pay as other employees performing the same jobs. (Preference will be given to proposals providing for the highest entry wages.)

5. Enrollees must be certified as eligible by the prime sponsor of the Comprehensive Work and Training Program, the Community Action Agency, the State Employment Service, or the Concentrated Employment Program. Sponsors must make the full feasible use of existing community manpower resources, such as CWTP, CAA, State Employment Service or CEP.

6. Jobs must be those that a disadvantaged person could not have obtained without the support of the program.

7. Entry-level jobs that are hard to fill because of their low wages, lack of upward mobility, or unappealing nature can be included only if the sponsor agrees to:

   A. Modify entrance requirements to make the jobs available to persons previously exluded from them--such as persons who are prevented from aquiring these jobs because of unnecessary entry-testing requirements, persons without primary or secondary school certificates, etc.

   and/or

   B. Develop a career ladder or upward mobility plans that make the jobs desirable.

Plan A contd.

To demonstrate that previously excluded persons are gaining entry to such job opportunities, sponsors will have to submit:

Specific details on changes in entry requirements.

An analysis of the characteristics of employees formerly or currently holding the entry job, for comparison with characteristics of potential PSC enrollees.

PREFERRED PROGRAM FEATURES (Entry)--Plan A
(not absolute requirements)

1. Proposals should contain a commitment to improve manpower management and human resource development capability within the sponsoring agency.

2. Sponsors should make a specific commitment to continue the activities funded by the PSC contract after it terminates.

3. Sponsors should make a commitment to use the capability and techniques developed during the project for improving personnel practices in other departments of the governmental unit.

4. Career ladders or possibility of upward mobility from the entry job should be provided. (In some cases, upward mobility may be achieved by moving employees from one agency to another within a civil service system or personnel system.)

5. The only entrance requirements for a job should be those required to perform the job. Jobs should not require unnecessary aptitude or qualifying tests. For example, if the only necessary pre-employment requirement is that the applicant be in good health, he should not be required to take any other qualifying test.

6. Enrollees should not be required to take tests at the end of their probationary period if they have performed their jobs satisfactorily.

7. Special counseling by a job coach or counselor should be provided for every enrollee.

8. A special procedure should be established for identifying poor enrollee performance and for giving an enrollee who performs poorly a second chance. (This second chance is justified, since his poor performance may be related to poor supervision, unclear understanding of his responsibilities, or training rather than to any personal inadequacies or deficiencies of the enrollee. This second chance need not be required when the PSC enrollee exhibits gross breaches of discipline and regulations.)

9. Sponsors should provide training or education to entry-level enrollees to provide them with credentials that materially affect their upward mobility.

10. Proposals should include provision for supportive services needed to enable enrollees to overcome individual and social barriers that prevent disadvantaged persons from being employed. Preference will be given to those proposals showing that analysis of barriers has been made and that provision has been made to provide needed supportive services.

11. Proposals should provide for training to helop the sponsor's staff learn to deal with intergroup conflicts, to understand to understand life styles of the poor, and to improve working relationships between people from different cultural groups. Training for line supervisors should emphasize the supervisor's role in developing the career potential of PSC enrollees, evaluating their performance, and identifying areas where improvement is needed.

12. Preference will be given to proposals that provide for the highest number of entry-level enrollees hired per federal dollar. (All other things being equal.)

13 Proposals should include plans for modernizing agency personnel methods and merit systems.

14. Proposals should emphasize jobs that will increase employment opportunites for disadvantaged males.

15. Preference will be given to proposals which have a viable enrollee recruitment plan, including provision for recruitment by various agencies (e.g., CWTP, CAA, State ES, CEP).

Plan A contd.

16. Preference will be given to proposals which include a program designed to employ applicants who have previously been rejected because they did not meet entry requirements.

17. Preference will be given to programs that include an acceptable system for evaluating the job performance of enrollees and their potential for advancement.

PLAN A--UPGRADING

ELIGIBLE CLIENTS--Plan A (Upgrading)

1. The definition of eligibility is flexible; however, emphasis must be placed on employees classified as "near poverty," as defined in the President's Economic Report of January 1969 (or as may be defined by the Director of the Office of Economic Opportunity).

   See Appendix II for definition of "near poor."

PROGRAM REQUIREMENTS (Upgrading)--Plan A

1. Proposals requesting PSC funds for upgrading must also include an entry program.

2. PSC funds for upgrading must be used for establishing new upgrading activities in an agency or for expanding current ones. They cannot be used to replace agency funds appropriated, budgeted, or heretofore used for upgrading.

3. Proposals must include plans for overcoming existing barriers to the upgrading of current employees.

4. Sponsors must develop skill-training activities directly related to the knowledge and skills required on jobs to which employees are being upgraded. (This requirement does not include courses for general overall improvement not directly related to job performance. But it does not preclude general education if that is actually what the employee needs before he can be upgraded.)

5. Employees upgraded must receive a promotion and at least a 5 percent increase in salary.

PREFERRED PROGRAM FEATURES (Upgrading)--Plan A
(not absolute requirements)

1. Proposals should include provision for career development through job restructuring and establishment of new classifications of jobs.

2. Employees who receive upgrading training should be provided released time at full pay when needed for this training.

3. Where appropriate, proposals should provide for union involvement in selecting employees for upgrading.

4. If credentialling or licensing is required for employees to be upgraded, sponsors should provide training that will qualify them to receive it.

5. Preference will be given to proposals that provide for the highest number of persons upgraded per federal dollar invested. (All other things being equal.)

6. Proposals should include provision for upgrading persons who have been at the same job level for the longest periods of time.

PROGRAM IMPLEMENTATION--Plan A (Entry and Upgrading)

During the first year of the PSC Program, major emphasis will be placed on innovative methods and approaches for meeting the broad goals of the program. Program funds will be allocated to selected statewide projects, large cities, urban counties, small cities, rural counties, and independent special districts. There will be at least one PSC project in each region.

The national office will develop a preferred project mix. This will then be sent to each Regional Manpower Administrator (RMA) for his review and decision on the level(s) of government in which PSC projects could operate most effectively in his region. The final decision on the project mix will be made in the national office, based on the recommendations of the RMA's. Each RMA will then be authorized to proceed with the selection of sponsors within the categories of government selected for sponsorship within his region.

Project sponsorship will be decided on the basis of sole source determinations. Guidelines will be sent to the RMA's describing the factors to be considered in the selection of potential sponsors. The RMA's will be expected to recommend sponsors by name to the national office in accordance with these guidelines; the recommendations will include the RMA's judgement of the sponsor's commitment to the program goals and his ability to operate a project successfully.

Once a sponsor has been recommended by the RMA and approved by the national office, a proposal package will be sent to the propsective sponsor by the regional office. Complete guidelines will be furnished explaining program goals and requirements and giving directions on the development of the proposal. At this time, discussions will begin on determining the amount of funds available for the individual project. The sponsor will be expected to present a proposal to the RMA within a specified period of time.

When the proposal is received at the regional office, it will be evaluated on a joint-effort basis by regional contract specialists and regional program specialists, in accordance with the criteria stated in the guidelines. If the proposal is judged to be acceptable, negotiations can begin on any necessary minor adjustments.

A representative of the national office will participate in the final review of all proposals and serve as an additional resource person for the regional staff.

When the negotiations and review are satisfactorily completed, the contract will be prepared and made ready for signature. The RMA will then request funding authority and other necessary clearances from the national office.

B. Plan B

Employment and Upgrading in Grant-in-Aid Programs

An innovative feature of PSC will be a concentrated effort to link manpower training with federal grants-in-aid. By 1967 there were over 450 different federal grant-in aid programs channeling $17.4 billion to state and local government and other public institutions. Federal grants-in-aid are the most rapidly expanding source of state and local expenditures; in 1966 they accounted for 20 percent of state and local revenues.

Manpower needs generated by grants-in-aid such as those for school and hospital operation are considerable. Under Plan B, the Department of Labor will explore with other federal agencies the possibilities of manpower development add-ons to existing grants-in-aid to provide for the extraordinary costs of hiring disadvantaged employees. (See Appendix IV for a discussion of a pilot experience in this area.)

Plan B is intended to make manpower components integral parts of grant-in-aid programs. When this has been accomplished, PSC will then focus on other grant programs. Some grants-in-aid already include manpower components, and will be eligible for funds to expand these. Efficiently operating manpower components may be identified by the Department of Labor for use as models for implementation elsewhere.

Following are the program details for Plan B.

Plan B

ELIGIBLE SPONSORS

State, county, or local governments receiving federal grants-in-aid. The DOL will negotiate initial agreements with various federal grant-in-aid agencies. Those agencies will invite grant recipients to submit proposals under Plan B.

The types of grant-in-aid programs qualifying for Plan B are those which are normally renewed annually and not sub-contracted to private contractors. Thus, a grant-in-aid for construction of a specific highway probably would not qualify for adding on employees because employment would be unstable once construction was completed.

Recipients of project grants (grants given for a specific project and not usually renewed after completion of the project) may be eligible under Plan B. However, the grant recepient must guarantee to hire the PSC enrollee when the grant terminates.

Total funds available: $10.2m

ELIGIBLE CLIENTS

Entry: Same as Plan A.
Upgrading: Same as Plan A.

TYPICAL ALLOWABLE COSTS

Same as Plan A.

PROGRAM REQUIREMENTS

Same as Plan A. PSC employees hired by the sponsor's agency in conjunction with Plan B must have the same rights of retention as regular employees. It is expected that Plan B jobs will be permanent.

PREFERRED PROGRAM FEATURES

Under this plan, the features preferred will vary from joint program to joint program, depending on the nature of the original grant-in-aid and what other federal agencies can contribute to the resolution of the manpower problem. As a broad standard, the Department of Labor will look for the same preferred features as in Plan A.

PROGRAM IMPLEMENTATION

The DOL National Office is now contracting federal agencies administering grants-in-aid. PSC projects linked with grant programs may require more time for development than those in Plan A, however, several should begin operating in Fiscal Year 1970.

In general, it is expected that the Department of Labor will negotiate agreements with several federal grant agencies to reserve funds for manpower training by grant recipients. The grant agency will identify probable successful grant recipients and invite them to submit proposals to the appropriate DOL regional office. There will be a joint DOL national and regional office review at the regional level. The regional office will award Plan B projects, after receiving funding authority from the national office.

C. Plan C

New Careers in Human Service

Plan C is comprised of the existing non-CEP New Careers programs. Current New Careers program standards will continue, subject to such modifications as the results of recent evaluation reports may suggest. A full position paper on New Careers is now being prepared.

Additional information on Plan C follows.

Plan C
ELIGIBLE SPONSORS

Sponsor eligibility standards remain unchanged from the original Scheuer New Careers program. Private, non-profit human service agencies are also eligible under this plan although they have been excluded from the other plans. Basically, sponsorship will be limited to current, competent sponsors.

Total funds available: $14.3m

Plan C contd.

ELIGIBLE CLIENTS

Same as the original Scheuer New Careers program, although the minimum age of enrollees has been lowered to 17.

TYPICAL ALLOWABLE COSTS

Same as original Scheuer New Careers Program. Salaries of enrollees can be paid from PSC funds.

PROGRAM REQUIREMENTS

Program requirements are those outlined in the 1967 BWP New Careers Sponsors Handbook.

PREFERRED PROGRAM FEATURES

Not applicable.

PROGRAM IMPLEMENTATION

Implementation of New Careers programs will proceed according to the regulations established by the New Careers program.

D. Plan D

Entry Employment and Upgrading In the Federal Service

This plan is subject to Presidential approval, and further development with the Civil Service Commission.

Plan D requires the initiation of a program through the cooperation of the Civil Service Commission and the Department of Labor which would:

1. Expand the number of disadvantaged persons hired through the Worker-Trainee Supplement examination.
2. Institute new Federal apprenticeship recruitment methods coupled with a review of the apprenticeship system.
3. Stimulate greater upgrading of lower-level employees within the Federal Service.
4. In connection with both entry and upgrading programs, develop new nonprofessional career ladders in the Federal Service.

The key to opening up federal employment to initial entry by the disadvantaged is the Civil Service Commission's new Worker-Trainee Supplement (WTS) to the Maintenance and Service Worker register. At present the WTS applies only to the lower levels of federal jobs. Under the WTS the worker-trainee is hired into regular job classification on a career conditional appointment; his status is secure subject to normal probationary requirements. The employee does not have to pass further qualifying standards at a later date (with the exception of the postal service) to retain his job.

The WTS is not a traditional employment examination but rather a method of interviewing an applicant to determine his stability for the type of employment offered. Worker-trainee jobs typically require little formal education or skills; through the new examination the Civil Service Commission is attempting to screen out overqualified applicants for these positions.

Under Plan D, a certain percentage, perhaps 10 percent, of existing lower level jobs will be resdesigned as worker-trainee positions. Such redesign would yield approximately 25,000 employment opportunities for the disadvantaged in FY 1970. The DOL would provide manpower funds on a 1:2 basis to help support costs of training and supportive services.

In addition, new provisions will be instituted to recruit and screen federal apprentices. This would yield an estimated 1,000 apprenticeship opportunities for the disadvantaged and the near poor.

In the upgrading component, the CSC and the DOL will provide participating agencies with new matching funds to upgrade current lower level federal employees. This will enable employees in the lowest grades to move into preprofessional and pretechnical jobs. Funds will also be available to provide educational opportunities for lower level employees, providing them with the base needed to move into higher positions. The development of new career ladders and job classifications will be a vital element of this program, and ultimately will benefit the first year's entrants. A minimum goal of 17,500 upgraded employees is projected.

Plan D

ELIGIBLE SPONSORS

Agencies of the federal government.

Total funds available: $7.5m

ELIGIBLE CLIENTS

Entrance into Plan D will be primarily through the Civil Service Worker-Trainee examination. It is expected that these individuals will have similar characteristics to those specifically designated "disadvantaged."

TYPICAL ALLOWABLE COSTS

To be determined.

PROGRAM REQUIREMENTS

To be determined.

PREFERRED PROGRAM FEATURES

Same as Plan A.

PROGRAM IMPLEMENTATION

The DOL national office staff is now contacting federal agencies to start developing Plan D projects. Several should become operational in fiscal year 1970.

V. PROGRAM MANAGEMENT

The subjects discussed in this section relate principally to Plan A, although they are also generally applicable to Plan B. This section is not applicable to Plan C, New Careers.

A. Sponsor Self-Appraisal

Due to the developmental nature of the first two years of the PSC program, it is vital that special attention be focused on analysis and on obtaining the data necessary for analysis.

Recognizing that the persons most immediately concerned with project analysis are the project managers and sponsors themselves rather than program administrators at the national or regional level, a system has been designed to enable project self-appraisal to be an ongoing and dynamic part of project operations.

The implementation of this system will be required of every project funded under Plan A, for the following purposes:

1. To assist every project administrator regularly to assess his project's effectiveness and efficiency, identifying critical factors of success or failure, so that self-improvement can be an ongoing part of the project. (Assessment will be based on criteria mutually agreed upon during negotiation of the contract, and technical assistance will be given in identifying and using results.)

2. To provide a base of data common to all projects for use in evaluation of the overall PSC Program nationally. Individual projects will not be compared using this data.

3. To serve as an experiment in self-appraisal techniques, which will be refined and expanded to other programs based on the experience of the first cycle of PSC projects.

Because the implementation of this system will necessarily include a formidable amount of paper work in addition to that usually required of manpower projects, all PSC projects may be funded to include special staff capability, related to the size and complexity of the project, for the gathering of data and filling out of forms and worksheets connected with the self-appraisal system. It is recommended that this function be combined with the responsibility for statistics required by the regular DOL reporting system.

B. Technical Assistance

DOL staff and outside technical assistance contractors will help sponsors improve the efficiency and quality of the projects and services for which they are responsible. Provision of a substantial amount of technical assistance in the Public Service Careers program is essential to the success of the program.

The goal of technical assistance (TA) will not be limited to provision of quality services (training, counseling, upgrading, job restructuring) to PSC enrollees, however, but will include assistance in building a capability within the sponsoring agency that will serve its employees long after its PSC contract has been completed.

The national office staff will supervise closely the work of the TA contractors to assure the quality of the TA provided, and to assure that the efforts of the contractors mesh with each other and with those of the federal staff. Technical assistance will also be requested from the U.S. Civil Service Commission and the Office of State Merit Systems, HEW.

C. Project Operations Committee

A project Operations Committee (POC) will be established for each project to coordinate the project's operations and assist in policy formulation. The POC concept has been tested successfully in experimental and demonstration projects.

The POC will serve as a key structural link between the Department of Labor and the chief executive of the sponsoring organization. It will consist of the chief executive (or his designee). If the project director is not designated as the representative of the sponsor agency, he should be included in the POC as an ex officio member. Additional members may be designated at the discretion of the POC.

The functions of the POC will be:

(1) to oversee existing policies and set policy governing all aspects of project operations.

(2) to review and evaluate progress reports submitted by the Project Director, in relation to project goals.

(3) to review reports on project expenditures, and if necessary suggest budget changes.

(4) to set policy concerning personnel requirements for staff funded by the contract.

The POC would meet monthly for the first six months of the project, and bimonthly (or as necessary) for the remainder of the contract period in order to make performance reviews and new policy directions tiemly.

D. Monitoring

The business-like conduct of any contracting operation requires vigorous and intelligent project monitoring activity. Through periodic visits to work and training sites, and close review of records and reports, the contracting officer can assure that the sponsor is meeting his contractual responsibolities (project goals).

The recommendations and observations resulting from the monitoring of PSC projects will also be used by the Project Operations Committee (POC) in its efforts to provide guidance and assistance to the project.

While monitoring can be viewed technically as a policing function, its most constructive contributions occur when it is combined with technical assistance. This program is a partnership effort between the federal government and the sponsor. The federal monitor searches for operating deficiencies and also helps the sponsor correct them.

Monitoring activity is the responsibility of the DOL regional staff. Normally, the project sponsor will also be encouraged to accompany the Manpower Administration Representative on monitoring visits. During Fiscal Year 1970, national office staff will also participate in monitoring on an occasional basis to observe whether the program design is working, and to obtain information upon which to base future program models.

E. Program Evaluation

Effective and responsible administration of the national PSC Program requires that there be comprehensive ongoing program evaluation. A built-in evaluation system is vital to the identification of program changes necessary to achieve stated goals. The focus of program evaluation is not on individual projects, but rather on the PSC Program nationally, as a whole.

Evaluation is closely coordinated with the program's data reporting systems and built in from the inception of the Program. This is the responsibility of the Manpower Administration's Office of Evaluation, which used staff resources and contracted studies.

Evaluation of the PSC Program includes:

1. Assessment of the PSC Program's efficiency and effectiveness, its strengths and shortcomings, its rate of progress towards achieving its goals, and the problems hindering its porgress, especially during the developmental stages of the program. (Regular program data is to be supplemented through field visits to a sample of projects.)

2. Analysis of the impact of the total program on the community, the institution, and the participant based on data collected continuously throughout the life of the program, including follow-up and control-group data.

3. Comparison of the PSC Program with other manpower programs in an evaluation of the total DOL manpower program effort.

F. Research

A continuous "action research" effort is part of the Public Service Careers program. Its purpose is to collect and analyze data on employees and various program features and relate them to factors such as job tenure, progression up the career ladder, performance, and impact on the agency. This data helps the Public Service Careers program to achieve its long-term objectives of determining which PSC patterns warrant continued emphasis and development and is useful in developing future models for bringing the disadvantaged into the merit system and providing upgrading.

The Office of Manpower Research studies carefully the findings from evaluation studies for indications of research studies that are needed to improve the design of PSC program components, to improve the performance of PSC trainees, and to identify other gaps in knowledge required for successful program operations.

Data collected from PSC projects helps the Office of Manpower Research meet many other needs. There are currently few adequate statistics available on occupations, vacancies, staffing patterns, and employee characteristics in the public service. PSC data helps overcome this lack. It also helps provide needed data on improving methods of providing services to people, particularly human services.

The Census Bureau has already successfully pretested for the Manpower Administration a survey of state and local employment which provides nationwide data broken down by occupation and governmental function. This survey recorded personal characteristics of employees, including factors such as job mobility experience and specialized training as well as the usual demographic data. Data obtained in the PSC projects provides supportive, follow through information for the Census Bureau study.

In addition, the Census Bureau study revealed the need for specially developed techniques in the area of job vacancy appraisal, including studies of position budgeting procedures. Techniques are developed on the basis of findings in the PSC program research effort to meet this goal.

G. Statistical Reporting System

The PSC information system is to service Plans A,B, and, possibly, D. Plan C, New Careers in the Human Services, retains its own information system. The PSC system supplies information about program operations to all levels of management involved in evaluation and control of PSC, including local project, regional, and national units.

Data will be collected on two levels. At the enrollee level, information will be collected on each enrollee to cover personal characteristics, such as age, race, education, previous employment, history in PSC Program, etc. Two standard Manpower Administration reporting forms will be used to collect this data.

A new reporting form has been developed to collect information at the summary project level. The program points of each project, including new and cumulative enrollments, terminations, supportive services, DOT codes, and major training slots, will be reported through this form on a regular basis.

National Association *for* Community Development

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The Task Force on the Public Service Careers Program
1741 Rhode Island Avenue
Room 1107
U.S. Department of Labor
Washington, D.C. 20210
Attention: Mr. Kenneth Holland

Dear Mr. Holland:

The National Association for Community Development is pleased to submit its initial comments to the second draft description of the Public Service Careers Program. We are continuing to evaluate this program and expect to file additional comments at a later date. We have circulated the draft to members of our Board of Directors who are involved in manpower programs and to members of NACD with similar concerns.

Let me first outline our general comments:

1) The thrust of the program in so far as the structural basis and the encouragement of career ladders is excellent. The document itself is rather well written although unfortunately vague at some points as will be indicated later.

2) The document fails to discuss the role of community action agencies in the Program.

3) The document provides for no participation of citizens in the design and operation of the program, a factor which should be required especially considering that money being used is authorized under the Economic Opportunity Act.

4) There is no role for the Office of Economic Opportunity even considering the innovative role which the President has intended for OEO to play.

5) There is inadequate recognition of the difficulties of phasing such a program into the budget cycles of local agencies including city governments.

6) There are a number of aspects that would appear to work hardships on our rural areas.

Within this general context, following are our specific comments:

1) There is no discussion anywhere in the document on the development of programs on a metropolitan or county basis where such an arrangement would promote the purposes of the program, facilitate the removal of employment unbalances, provide a better program base, or insure the availability of jobs in suburban areas for inner-city poor.

2) The early part of the document should contain some discussion of the ways in which the Public Service Careers Program is to relate to other on-going programs such as OJT, NYC, Operation Mainstream, and JOBS.

3) Noting that the $50 million involved is being recaptured for the NYC program and that a "relatively small number of proposals are to be funded" there is no discussion of the way in which manpower services and employment operations will be provided in those areas which are left substantially unserved or under-served by the design of the program. This is particularly critical in rural areas.

4) We would recommend that the delegation agreement between the Department of Labor and OEO should be re-evaluated and re-negotiated to insure that OEO has a role in the design and evaluation of this innovative program. As you know, the President has indicated that he wishes to have OEO be an innovative agency especially in the context of programs for the disadvantaged. We are making this same recommendation to Director Rumsfeld.

Task Force on Public Service Careers Program

5) In general, we believe that the $50 million level intended for this program is excessive. If it is true that the initial experience of the program is only to "help determine whether or not the public sector is sufficiently elastic to absorb large numbers of disadvantaged employees without massive Federal wage subsidies", it seems unlikely that $50 million would be required. At the same time, the one-third reduction in the number of total NYC enrollees necessary to accomplish funding of the Public Service Careers Program is a high price to pay for such innovation.

6) The discussion of Plan A and to some extent other plans which require that the slots involved be regularly budgeted probably is necessary. However, there must be a system established by which assurance of Federal support is received in advance of budgetary actions at the local level and there must be a way of relating the time cycle of the Public Service Careers Project to the regular budget cycle of the sponsor.

7) The definition of sponsor eligibility under Plan A is vague. Is the proposal available only to states, etc., which have civil service rules or regulations? If such is the case this represents an undue hardship for rural areas for in many rural areas no civil service rules or systems exist.

8) The community action agency is not listed as a source of supportive services or identification of disadvantaged enrollees under either Plan A or Plan B. Surely this was an unconscious omission. One must argue that the community action agency should be seen as a major purveyor of supportive services and a significant source of outreach in the identification of disadvantaged enrollees.

9) It seems to us that the safeguard in terms of kinds of services that are to be offered either for upgrading or hiring are inadequate. This is especially crucial given the absence of any definition of the level or types of supportive services including education which should be provided.

10) The guideline does not deal adequately with the role of public authorities and neighborhood corporations as eligible sponsors of such programs.

11) In considering Plan B, it may be well to negotiate a set figure, perhaps 3 or 5 percent, to be added to the budgets of Federal grants-in-aid to provide such job opportunities. This addition should be negotiated at the national level and implemented in funding actions for programs or communities selected for participation in the Public Service Careers program.

12) Plan C seems inadequately developed and certainly inadequately funded in relationship to the other areas. The guideline implies little if any growth in this area and there seems no good justification for not allowing an upgrading component. CAAs should be specifically mentioned as eligible sponsors. This plan deserves a significantly larger share of the total program budget.

13) It would seem that sponsors should be allowed to submit a proposed budget based on a certain number of enrollees with a per enrollee recapture cost and that this recapture cost should be used as the basis for a budget which will provide staff and other sources of supportive services. In effect the sponsor should be able to aggregate the cost recaptured and outline the ways in which he intends to use these costs.

14) NACD would be pleased to be listed as one of the public interest groups to be used in publicizing the Public Service Careers and as one of the groups to be involved in identifying guidelines to be used in screening and reviewing proposals. NACD has already submitted a proposal to the Assistant Secretary for Manpower suggesting a series of regional conferences to provide information on Manpower Programs and policies including the Public Service Careers Program. NACD would also be pleased to serve on the National Advisory Council on Public Service Careers. It should be noted that as a result of the provision of the Greene amendment, all CAAs have now been officially recognized or endorsed by public bodies such as cities and counties and certainly can be seen as part of the Public Service Careers system.

15) The CAA should be listed as a public vehicle for the development of a project proposal since many have extensive manpower expertise. Again this was surely an unconscious omission.

16) There is no provision for any involvement of the OEO regional offices in reviewing the proposals for discussion of questions arising out of the CAMPS planning process. I would think such an arrangement would be advisable.

17) We believe the National Advisory Council on Public Service Employment is appropriate. The Council would be an overall mechanism for evaluating the program and for being continuously involved in the formulation and re-formulation of program policies and procedures. It would also be a logical link for involving a number of different interest groups that have both complimentary and conflicting goals for such a program.

18) There is a very obvious and surprising lack of any requirement for citizen participation in the formulation of submissions and proposals under this program. This should be very strongly required under the heading of "Project Proposal Development". It seems to us that any program which attempts to utilize Economic Opportunity Act funds should require maximum feasible participation on the part of the areas and groups to be served. The lack of such a requirement in this draft is very discouraging. The same kind of requirement should be established in connection with the project operation committees and other aspects of the program.

19) NACD will be happy to assist in providing technical assistance to prospective sponsors of such a program and to otherwise assist in the implementation of citizen participation requirements.

20) We find the mix of funding slots among the various plans not entirely to our liking. We believe that Plan C should have a far greater percentage of the funds. It seems unlikely that all the money allocated in Plans A and B can be effectively used during fiscal 1970, when no grants will be made until after the fiscal year is almost half gone and local budget cycles are already in place. Agencies eligible under Plan C are much better geared for this kind of program and will be able to move into implementation at a much faster rate. We believe that the amount of funds allocated particularly for Plan A are excessive and that some shifting of these priorities is in order.

As indicated above we expect to formulate additional comments and forward them to you as soon as possible. We appreciate the opportunity to be kept informed on the development of this program and review future drafts of the guidelines and other program issuances.

Sincerely yours,

Robert A. Aleshire
Executive Director

RAA:ksm

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Robert Aleshire

July 15, 1969

Donald Rumsfeld, Director
Office of Economic Opportunity
1200 19th Street
Washington, D.C.

Dear Mr. Rumsfeld:

Recently we reviewed the second draft of the general description of the Public Service Careers Program now being planned by the Department of Labor. It is not clear whether the Office of Economic Opportunity is also reviewing this document and preparing to submit comments.

In our review of the document, we were struck by a number of things:

1) The lack of mention or role for the Community Action Agency in various aspects of the manpower process.

2) The lack of mention or role for the Office of Economic Opportunity or any involvement of OEO in such decisions as selection of sponsors, relations with CAMPS committees, or selection of projects and evaluation of standards.

3) The lack of any citizen participation requirements in the guideline considering it is to be funded out of Economic Opportunity Act funds.

As you know, the Department of Labor moved to bar 18-year-olds from further entry into the Neighborhood Youth Corps Program, apparently without significant involvement of OEO, particularly the Community Action Poogram. This rather surprising action disturbed us and caused us to examine the Delegation of Authority and Memoranda of Understanding existing between OEO and the Department of Labor under Title I-B of the Economic Opportunity Act. We found that it does not seem to provide sufficient safeguards or performance relationships to insure the effective coordination and monitoring of Title I-B funds.

In this context, the justification for the expenditure of $50 million in Title I-B funds is, according to the draft guidelines, that:

> "initial experience with the program will help to determine whether or not the public sector is sufficiently elastic to absorb large numbers of disadvantaged employees without massive Federal wage subsidies . . . If this capacity is not present, alternative methods, such as new Federal revenue sharing plans, must be explored in order to open up public sector employment to the disadvantaged."

It seems to us that $50 million is a rather large amount to be appropriated for such a pilot program, especially considering that these funds are being taken away from the Neighborhood Youth Corps Program at a cost of one-third of the total NYC enrollees. It also seems to js that if this program is to be innovative and develop new approaches to public service employment that perhaps the Office of Economic Opportunity shouldbee much more directly involved. The President has said that he expects OEO to be the innovator of new programs for the poor, but OEO does not seem at all involved in this program which is clearly marked as an innovative effort.

We recommend that OEO strongly consider an expanded role for itself in the Public Service Careers Program, the amount of funds being pledged in this program, the mix of funds within the program (especially the inadequate funds being provided for under Plan C programs), and strongly consider the possibility of re-negotiating the delegation of authority with the Department of Labor. We were very pleased with the delegation of authority negotiated between OEO and the Departmnet of Health, Education and Welfare for the transfer of the Head Start Program. We believe it is a very viable instrument and that it contains the kinds of safeguards and working relationsiips which should exist in all such delegations.

The nature of the Public Service Careers Program, the fact that it is being funded under the Economic Opportunity Act authorization, and the apparent lack of CAA-OEO-citizen involvement evidenced in the second draft of guidelines for this program, for us, point to the urgent necessity of a re-evaluation of the working relationships and a strengthening of the OEO role.

We look forward to hearing from you on this matter.

Sincerely yours,

Robert A Aleshire

Robert A. Aleshire
Executive Director

RAA:ksm
Enclosure

CONCENTRATED EMPLOYMENT PROGRAM GUIDELINES

The Department of Labor had intended to redesign the Concentrated Employment Program by early 1970 but found that a majority of the CEP contracts would expire in late 1969. In an attempt to provide some new directions for the CEP Program, the Department issued a Manpower Administration Order (14-69) which provided instructions for Regional Manpower Administrators to use in renegotiating the CEP contracts. These guidelines raised and continue to raise severe problems for many CEP sponsors. Some of the policy thrusts found in the CEP guidelines may very well be indicators of directions which DOL will be following in other program areas. Among the major questions NACD has raised concerning these guidelines are the following:

1) Whether the document contains provisions and/or was developed in a fashion which is contrary to the provisions of the Delegation of Authority from OEO to DOL for Title I-B Programs, the Delegation Memorandum of Agreement, and the provisions of Title I-B of the Economic Opportunity Act.

2) The guidelines seem to recognize the responsibility of the prime sponsor but do not provide authority commensurate with this responsibility.

3) The guidelines do not provide sufficient coordination arrangements, particularly in the involvement of OEO and the CWTP.

4) The guidelines seem to impose unwise national arrangements which are not suited to the individuality of communities, do not allow proper flexibility in designing services from the bottom up, and do not reflect variations in the quality of services rendered by the employment service to poor people.

The following pages contain the text of MA 14-69 as well as comments on these guidelines which NACD has forwarded to the Office of Economic Opportunity.

In reply refer
to MEHSC

Kiger

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U.S. DEPARTMENT OF LABOR
Manpower Administration
Washington, D.C. 20210

July 19, 1969

MANPOWER ADMINISTRATION ORDER NO. 14-69

SUBJECT: Refunding of CEP I and II Programs

I. Background

Beginning September 20th and continuing through the next few months. contracts for each of the 79 presently active CEP operations will expire. At the time of renegotiation of each of these contracts for another year's cycle certain programmatic, management and operational changes are to be made in each CEP. Such changes will be focused on correcting deficiencies found to be common to nearly all CEPs.

RMAs will be guided in their CEP contract negotiations by the material in this order and its attachments.

II. CEP Refunding Levels and Program Periods

A. Refunding Levels

We have based CEP funding levels on a CEP program obligation of $209 million in FY 1970. This amount reflects an anticipated increase of $93 million over FY 1969 funding--only a limited number of CEPs having been funded in FY '69. We are operating under a continuing resolution which limits FY 1970 operations at a rate not in excess of the current operating level. Revised totals for FY '70 CEP funding and refunding will have to be provided if the Congress fails to approve the requested increase (an increase required by the necessity to fund or refund all 82 CEPs in this single fiscal year). The $209 million sought for FY '70 will be composed of MDTA and EOA funds in the following manner:

Source	Amount
MDTA Title II	$ 76 million
EOA Title IB	$133 million

Funding allocations for each region have been made based on present CEP expenditure levels, amounts estimated to be remaining to each CEP at the end of its current contract period and the period of the new contracts.

Within the totals allocated for each region for CEP refunding, each RMA is to make his own decisions on the refunding levels and funding source mix for the various CEP in his region. (It must be noted, however, that both fund totals may be subject to shifts between regions depending on the ultimate funding levels of individual CEP and their actual capacity to use funds during their program year.)

Based on the FY 1970 budget, regional allocations for the CEP are:

Region	MDTA	EOA	TOTAL
I	$ 7,454,000	$12,865,000	$20,319,000
II	7,336,000	12,828,000	20,164,000
D.C.	1,917,000	3,356,000	5,273,000
III	5,766,000	10,097,000	15,863,000
IV	11,144,000	25,734,000	36,878,000
V	13,890,000	23,731,000	37,621,000
VI	10,251,000	15,332,000	25,583,000
VII	4,194,000	6,802,000	10,996,000
VIII	1,492,000	2,337,000	3,829,000
IX	10,908,000	16,364,000	27,272,000
X	1,648,000	2,544,000	4,192,000

B. Refunding Periods

It should be noted that for the first time all 82 CEPs are being funded or refunded in the same fiscal year. This provides the first clear opportunity to move toward the program year funding concept, to advance funding dates well beyond the fiscal year ending period and to stagger funding dates in such a way that the refunding workload both in each region and nationwide is spread more evenly. Attachment number 1 shows the contract periods which are to be used in refunding the present 79 CEPs. While deviations from these periods may be made, such changes must be cleared in advance with the Manpower Administrator. This is made necessary by the fact that FY 1969 funds have already been advanced and, in some cases, additional FY 1970 funds allocated from the $209 million expected to be available to carry each CEP contract expiration period from its present date forward to the beginning of its individual program year.

C. Sponsorship

It is the responsibility of the RMA to review the adequacy of performance of existing CEP prime sponsors. Those sponsoring organizations which clearly cannot or should not be carried forward into the present refunding cycle are to be replaced. While the check point procedures of the present DOL/OEO

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Delegation of Authority Memorandum will be operative, there is no requirement that ineffective or unwilling prime sponsors be continued in the program.

III. Assignment of MARs

It is the policy of the Manpower Administration that one full-time federally-employed Manpower Administration Representative (MAR) is to be assigned to each CEP. MARs will relate to a specific regional office staff member (or members) whose first line duty will be to provide, through the MARs, coordination and staff assistance to the CEPs in their respective regions. In those situations in which the RMA is satisfied with their performance, present State ES-assigned MARs can be retained. However, the ES-MAR shall not represent the RMA in the renegotiation of the contract.

Field Memorandum 54-68 and Section 730 of the MAR CEP Handbook will serve as the basic documents in assigning MAR responsibilities. As such personnel are assigned, the delegation memorandum of authority (see FM 54-68 for a sample of this document) and the telephone number and address of each MAR are to be provided to the national office, through normal channels, to the attention of the Division of Comprehensive Manpower Programs - CEP.

IV. CEP Contract Renegotiation

Attachment 2 of this Order is entitled "Outline for Renegotiation of CEP Contracts and Continuing Management of CEP." It provides a step-by-step approach to the refunding of each CEP and describes certain changes in program content, operation and management which constitute a precedent to CEP funding and refunding. The terms and conditions of the "Outline for Renegotiation" are to be considered as a part of this order; as instructions which are to be followed in the refunding of every CEP. (However, certain program aspects--the job bank, for example--will not be applicable to every CEP.)

As noted on page 2 of the "Outline for Renegotiation," certain steps are to be followed as each new CEP proposal is readied for refunding:

A. The RMA's Refunding Plan for Each CEP

The RMA is to provide the national office with a brief plan for the refunding of each CEP. This plan will outline each CEP's previous accomplishments and problems and will show the ways in which the coming year's program and financial resources will be arranged to correct existing problems and to meet the requirements imposed in the "Outline for Renegotiation." This plan will be prepared, for every CEP being refunded, in the following format:

1. A review of the past year's performance and problems. Material from this review is to be summarized into two brief statements:
   - (a) An evaluation of the past year's performance against established goals.
   - (b) A brief discussion of the CEP's major administrative and operational problems together with an outline for their solution in the coming year's program.
2. A summary of the coming year's program including:
   - (a) An outline of the FY 1970 program direction, major program elements and the major subcontractors planned for each such element.
   - (b) A listing of the proposed allocations of funds available to the CEP--EOA and MDTA--showing their planned distribution among the outlined program elements.

The past year's review and problem statement and the coming year's program and budget element outline will, taken together, constitute the RMA's plan for the refunding of each CEP.

It is stressed that the refunding plan is to be brief and precise. Planned program changes are to be clearly and directly related to operational problems developed in the previous year's operations or to changes required in the "Outline for Renegotiation". Major subcontractors are to be identified, along with their primary responsibilities. The overall goals for the new program are to be enumerated. The brief summary of planned funding must clearly and directly relate to--and support--the planned program, including the change.

Since this is only a plan for a large and complex program, it is expected that there will be changes between the plan and what ultimately appears in the CEP contract. Such changes are not, however, expected to be fundamental ones. If, for example, the basic thrust of MDTA is shown in the plan as being toward individual referral, this same emphasis should be carried into the contract. The amounts of funds devoted to this purpose may change, as might the sponsorship or even the anticipated course content; the basic approach, however, should remain.

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B. The Job Development Statement

This statement is detailed on pages 3 and 4 of the "Outline for Renegotiation."

Both the RMA's refunding plan and the job development statement are to be forwarded to the MA national office through normal channels and directed to the attention of the Division of Comprehensive Manpower Programs - CEP no later than 30 days before the individual CEP contract is to be signed.

C. Fund Obligation

As noted in the "Outline for Renegotiation," a wire is to be sent to the Manpower Administrator, attn: Division of Comprehensive Manpower Programs - CEP, not less than three working days prior to the time that CEP funds will be obligated through a new or extended CEP contract. This time period is necessary to allow for congressional notification. The format and coding of this telegram will be described in a subsequent release. No obligation is to take place until the national office confirms receipt of the wire and, through it, acknowledges the new or revised contract.

D. Program Changes

The major program changes which are to be carried into the newly funded or refunded CEPs are described in some detail in the "Outline for Renegotiation." Additional clarification and instruction on many of these changes is under preparation and will be issued very soon. The major new directions include:

--the employability development model and a balance caseload concept;

--new standards for enrollee assignment after intake;

--use of the job bank concept;

--introduction of work sample assessment techniques;

--clarification and standardization of measures of CEP achievement and success;

--grouping of manpower tasks into a single manpower services package which is to be subcontracted as an interrelated whole--under most conditions to the employment service--and treated administratively as a package.

E. Powers of Prime Sponsors and Subcontractors

Although the "Outline for Renegotiation" is specific on the point, the absolute necessity for clearly drawn subcontracts must again be emphasized: No CEP contract is to be signed with a prime sponsor or with a subcontractor

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until rights, responsibilities and goals are explicitly spelled out and the potential for overlap or duplication eliminated. It must be understood that all powers not explicitly vested in the subcontractor remain with the prime sponsor. Thus, the authority of the subcontractor is limited to that which is granted to him specifically by the subcontract.

In the special case of the manpower services package, the RMA is to involve the deliverer—the State employment security agency in most cases--in the CEP planning process from the start. In this way, the CEP's major subcontractor will be involved in planning at the same time as the prime sponsor. "Involvement" means, in this case, that the deliverer of manpower services will carry the major responsibility for planning this component, limited by external goals established by the prime sponsor. The subcontractor will set his own internal goals and internal controls. While subcontractors must accept prime sponsor-established fiscal and management reporting requirements and controls, they will be expected to participate meaningfully in setting up such requirements and controls.

The area of intergroup rights and responsibilities, having created the greatest problems for CEP management at all levels, is to be given close and continuing attention by the RMA and his representative, the MAR. The RMA is instructed to exercise every right and responsibility of the contracting officer as defined in the general and special provisions--including contract termination--as promptly and decisively as statute and regulation will allow where interagency and/or subcontractor-prime sponsor relations are clearly working to delay or frustrate the intent of the CEP. Much of the national office overall program monitoring will similarly be directed to this point.

F. Target Area Changes

There are to be no general enlargements of CEP target areas at this time. The RMA retains the authority, however, to make needed modifications and adjustments to target areas. The national office is to be advised of the details of such changes within 15 days of their occurrence.

G. Training and Technical Assistance

An integrated and coordinated program of training and technical assistance will be carried out using both in-house and contractor-provided knowledge and skills. Both training and technical assistance will be provided on the basis of a problem-oriented training package. Training and technical assistance will seek to build needed expertise in and give guidance to CEP-level and Federal management and technical staff people. Priorities and scheduling of both formal training and technical assistance will be established on the basis of consultation between national and regional offices.

Malcolm R. Lovell, Jr.
Deputy Assistant Secretary
for Manpower and
Manpower Administrator

Attachments (2)
1. CEP Program Year and Carry On Periods
2. Outline for Renegotiation of CEP Contracts

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ATTACHMENT 2
MAO NO. 14-69

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Outline for Renegotiation of CEP Contracts and Continuing Management of CEPs

I. Introduction

A series of formal evaluation studies, an examination of input and output statistics, and on-site monitoring visits of headquarters and regional staff have indicated serious deficiencies in the operation of CEPs. Between now and October 31, contracts for 58 of the 79 CEPs will expire and negotiations to write new contracts for another one-year cycle will be undertaken. This then is an opportune time to identify strengths and weaknesses in each CEP program and to effect needed changes. In addition, it is believed that there are inherent weaknesses in the CEP concept itself which pertain to most if not all CEPs. Steps to incorporate certain structural, programmatic, and management changes will be inaugurated to cope with these generalized and inherent defects.

It will be the policy to use the contract and the contract negotiating processes as the instruments for identifying the goals of each CEP; goals which are to be expressed in terms of numbers of individual clients to be served. The program will be designed to serve this group. It will be the responsibility of the Manpower Administration to see that these goals are achieved. The RMA, as the contract officer for the CEPs in his region, is the key Federal official responsible for seeing that acceptable standards of operation are achieved; such standards being expressed primarily in terms of beneficial results for clients. Optimally, these results will take the form of employment of the client in a suitable job which best uses his present capabilities and provides opportunity for further vocational development. Intermediate stages of success may be moving him up the ladder to reading and arithmetic capability, the beginnings of skill development in entry occupations and apprenticeships, and placement in subsidized employment leading later to more stable vocational adjustment in competitive employment.

This paper presents a step-by-step plan for achieving improved CEP operation and performance through the contract negotiating process and through closer management of each CEP. However, it must be noted that the RMA is not to restrict himself to the improvement actions described in this paper but is to take such actions as may be necessary to improve the operations of all CEPs.

Footnote: Most CEP's must be refunded within the next few months before CWTP's can be completed. These guidelines are designed to assist RMA's and PS's in renewal of these CEP contracts. MAO 12-68 provided (D-2-a) that "ongoing contracts antedating development of an approved CWTP shall, wherever possible, be incorporated in the proposed plan for that CWTP."

II. CEP Contract Renegotiation

A. Refunding Advice: Field Memo 37-69, issued April 25, instructed each RMA to review CEP operating levels, to determine the amount of funds left in each contract as of May 15 and to extend each CEP contract as far as possible using its existing funds. These actions are virtually complete and broad allocations, by region, of FY '70 funds expected to be available for CEP funding and refunding have been made. In the very near future each RMA will be provided the following type of statement:

--The period of extension of each CEP contract (i.e., the period needed to carry each contract forward to the beginning of its newly established program year) and the period which will constitute each CEP's program year.

--New (FY 1970) funds needed to carry forward certain CEPs to the beginning of their program year.

--New (FY 1970) funds needed to carry each CEP through its program year.

--Tentative allocations of total new funds--MDTA and EOA--suggested for each CEP and the total available for the region. (It must be noted that both fund totals may be subject to shifts between regions depending on the ultimate funding levels of individual CEPs and their expected capacity to use funds during their program year.

B. Preconditions and Evaluations

1. The RMA's refunding plan: The RMA should now open refunding negotiations with each of the CEP Is and IIs. The RMA will provide the national office with a brief plan for the content and direction of the refunding of each CEP. This plan will outline each CEP's previous accomplishments and problems and will show the ways in which the coming year's program and financial resources will be arranged to correct existing problems and to meet the requirements imposed in this paper. The plan is to be prepared for every CEP being refunded and will take the following format:

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(a) Individual reviews by project and RMA staff of past CEP activities:

- -evaluation of the past year's performance against established goals;
- -the nature of major administrative and operational problems and an outline of plans for their solution in the coming year.

(b) Brief individual program and budget summaries including:

- -an outline of the FY 1970 program direction, major program elements and the major subcontractors planned for each such element;
- -a listing of the proposed allocations of funds available to the CEP--EOA and MDTA--showing their planned distribution among the outlined program elements.

2. The job development statement: Improvement in the job development function is almost a universal necessity. We have experienced a dispersion of responsibility among subcontractors for this function, single direction and coordination of the activity has been generally lacking, the employment service has not acted to share orders with responsible units of the various CEPs and there has been a failure--on both sides--to give adequate recognition to the role and responsibilities of JOBS/NAB and to tie it into the job development function. This development is particularly serious when compared against a general lack of satisfactory job openings.

While we cannot control the availability of employment for CEP enrollees, we will insist that an orderly, definitive and comprehensive system of job development and job order sharing among all the parties involved in any way with the CEP be a matter of record before a CEP is refunded. Central to this system must be a single job development and job order sharing control and responsibility point; a unit--generally the employment service acting under subcontract--which will:

- --Mesh all possible job finding elements in the community or area into a relationship which promotes sharing of job orders;
- --Eliminate duplication of effort in employer visiting;
- --Accumulate and publish, on a daily basis wherever possible and in an orderly fashion, a complete listing of open jobs and their basic requirements;

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--Coordinate ES applicant and CEP enrollee referrals to available job openings.

At a minimum, whatever system is devised locally, the efforts of the employment service local offices, the CEP and JOBS/NAB (where this latter organization is active) must be integrated and coordinated--in so far as the CEP is affected and involved--through this single control point. The job development statement must show, in brief but clear outline, the nature and extent of the arrangements the various groups have made (or refuse to make) and the nature of the commitments each organization has placed on itself to insure performance.

There is a clear and recognized danger in making such agreements and arrangements a matter of record as a precondition to contract funding: the delay may hold up funding for an appreciable period. Nevertheless, we believe that without an efficient and productive job development system CEP efforts are worth little. We will insist that this vital issue be clarified in each CEP before it creates additional costly confusion, enrollee ill-will and delay.

Through the RMA's CEP refunding plans and job development statements the national office will have a 30-day advance notice period in which to become familiar with the refunding pattern that is unfolding within the regions and across the country. National office staff will study these broad descriptions of individual CEP activities and goals as contained in each refunding plan, will compare the new goals and activities with previous accomplishments and operating improvement and change, for revisions in funding levels or for changes in prime sponsors or subcontractors. In extreme cases the national office may also suggest termination of existing contracts. (In such cases Part 1-S of the Federal Procurement Regulations will be followed and the OEO headquarters staff will be consulted within the review period.

C. Fund Obligation

Not less than three working days before the RMA is ready to obligate new (FY 1970) monies under a new CEP contract he will advise the national office of his intention by wire. This telegram will describe such things as the way in which the contract will obligate funds--by component and in total, the time span covered by the contract, the use of MDTA funds and the major components and their numerical goals. The national office will acknowledge the details of the wire and, through it, the new CEP contract.

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D. Basic Changes in Program Design: Certain experiences found useful in a variety of CEP and ES settings are to be incorporated into the basic program design of each CEP. These include:

--The employability development team and the balanced caseload concept: Each CEP enrollee will progress through the program from intake to job placement and follow-up with the assistance of an employability development team. This team will begin with the enrollee at his own level of need and will proceed with him at his own pace of development. The arrangement of CEP components will be adjusted to allow the greatest flexibility in the utilization of slots by enrollees. In effect, it would provide for use of the slots on an individual referral basis and would more closely meet the needs of the clients. A specified ceiling on total enrollees per team or per team member will be applied. While the team is expected to consist of a qualified vocational counselor, a job development specialist, a work and training specialist, the coach (or coaches) and a clerical assistant, this composition is a flexible matter and is one that should be fitted to the demands of each situation. This approach has been fully discussed in a MA publication, "The Human Resources Employability Development Model." (This is the model being used in the WIN program and in the ES program for the hard-core unemployed.) In the context of the capacity of the employability team to handle its workload, it must be stressed that CEP intake is to be controlled and limited to the ability of the system--and particularly the employability team--to do a careful job of individual enrollee assessment and employability plan development. One immediate task of CEP management and the employability team is to reduce the applicant-holding listing to a far more reasonable level that is the present case in a number of CEPs. Prime sponsors, through the team concept, should be advised to pay particular attention to intensive follow up actions and should include sufficient resources in their budgets for this purpose.

--Standards for enrollee assignment: Consistent with the CEP philosophy of working with the most disadvantaged members of the community or area, heavy responsibility will rest on the employability development team to identify, and refer to appropriate assistance, those cases requiring the kinds of therapy which lie outside the capability of the CEP to provide. Such individuals would include narcotics addicts, chronic alcoholics and those rendered unemployable through severe mental or physical disabilities. Those so referred are to be considered part of the continuing CEP caseload and will be reinserted into the CEP action mainline when, in the judgment of the employability development team, they are ready.

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--The Job Bank: The experience with manual and machine operated area-wide job opening-sharing activities has shown the clear utility of this approach. Action is going forward by the newly-created Manpower Matching System Division to prepare the guidelines necessary to place the Job Bank into operation in as many CEP cities or areas as is feasible. This action will support and facilitate the agreements and operations reached and described in the "Job Development Statement" which has been noted as a precondition for CEP funding.

--The work sample assessment technique: It is possible, through integration of this technique with the orientation process, to provide a better vocational assessment of CEP clients and to facilitate their placement in job and training opportunities. Where the availability of staff knowledgeable in this technique makes it possible, work sample assessment should be included in the CEP package. Where it does not exist training will be undertaken in order to provide such capability in the future.

--Subcontractor roles: Instructions will be issued defining and standardizing the roles of subcontractors and cooperating groups (such as MDTA-funded skills centers). Since much of the friction experienced between CEP prime sponsors and subcontractors can be laid to overlapping and confusing views of duties and responsibilities, no CEP contract is to be signed with a CEP prime sponsor until the potential for overlap or confusion is, as far as humanly possible, eliminated.

The rights and duties of each of the various agencies and groups and, most especially, the goals each will meet must be clearly defined and agreed to by all.

The case of the deliverer of manpower services--which in most cases is the employment service--is one which merits a special word:

The position of the Department regarding the privileged position of the employment service to supply manpower services has been spelled out in detail beginning with the first "slum employment program" documents in February 1967 (the program ancestor of the CEP) and continuing through the Delegation Memorandum of understanding with OEO to the revised "CEP Handbook" of February 1969. In the same documents, however, the corollary policy is clear: that CEP subcontractors--including the employment service--once having negotiated a subcontract, must meet its terms and accept the controls defined in the subcontractual agreement with the sponsor or the subcontract will be terminated and a new supplier of services found.

The prime sponsor, having responsibility for the CEP contract, shall have the authority to require all subcontractors to comply with the provisions of the subcontract and, where necessary, to recommend to the RMA termination or modification for non-compliance or unsatisfactory performance.

The prime sponsor may appeal decisions of the RMA regarding contract compliance to the Manpower Administrator.

The employment service will be expected to provide under subcontract (and thus be totally and fully responsible for the administration and control of) the manpower services package. These manpower services are defined as:

-outreach
-intake
-orientation
-assessment and counseling
-coaching
-referral to employability development services, including training
-referral to supportive services
-job development
-placement
-intensive follow up

If the negotiations between the prime sponsor and the State employment service suggest to the RMA that other agencies can better or more easily perform

-outreach;
-coaching;
-orientation; or
-intensive follow-up

such activities may be handled through subcontract by the prime sponsor with other agencies as approved by the RMA. In any case, the subcontract must show, in detail, how such services will relate to, feed enrollees into, and accept the necessary administrative and coordinative direction from the employability teams responsible for enrollee caseloads.

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The manpower services are to be considered as an interrelated whole and are to be subcontracted--under most conditions to the State ES agency--as an interrelated group of actions. The subcontract must, of course, spell out the discreet functions of each subcomponent (intake, orientation, job development, etc.), the linkages between them, their internal management and external administrative control, the specific goals of each, the enrollee flow and similar information needed to assure that no overlap is built into the manpower services delivery system and that it works smoothly. Subcomponents and subcontracts should be held to a minimum to minimize the problem of linkages.

There is to be a single State ES representative fully and completely administratively responsible for the complete manpower delivery system in each CEP where the package is subcontracted to the State ES agency. Where any or all of the optional functions (outreach, coaching, orientation, intensive follow-up) are excluded from the package they will, of course, be under the administrative control of the appropriate subcontractor, except as indicated in the next paragraph.

The State ES agency representative responsible for the manpower services package is to be administratively responsible to the appropriate official of his own State agency and responsible to the CEP director for carrying out his duties within the terms and conditions of performance as described in the subcontract. The State ES manpower services package director will have full control and direction of all employees--ES or other subcontractor employees--working on a full or more than 50% time basis on tasks that are shown in the manpower delivery services subcontract as being a part of the package. This understanding is to be included as a matter of contract condition with each subcontractor who accepts a subcontract having activities included under the manpower services package description. To achieve this control and direction it may be necessary to identify by name those employees of other subcontractors or of the prime sponsor who fall into this category.

In conducting the manpower services, the State ES agency shall employ subprofessionals--including the poor--in the planning, conducting and evaluation phases.

The statutorily assigned role of the prime sponsor for overall management of the program is to be repeated and re-emphasized in any discussion of subcontractor rights and duties. As has been noted, subcontractors must meet the terms of their subcontractual agreements; the prime sponsor has the responsibility to assure the contracting officer that this is the case or that proper corrective action is being taken. In carrying out his management task, the CEP prime sponsor will have the responsibility for:

-receiving and disbursing funds;

-planning the CEP: including such representative actions as surveying the target area, establishing broad overall and component goals, selecting subcontractors, arranging for the timing of subcontractor inputs, preparing the contract proposal, etc.;

-administering and coordinating the CEP: including such actions as selecting prime sponsor staff, coordinating actions between and assuring the performance of subcontractors, establishing lines of authority, developing and carrying on a management information system, carrying out a community information and relations program, coordinating technical assistants and program consultants, bringing in non-CEP community agencies and resources, performing general service actions connected with buildings, machinery and supplies and arranging for supportive services. Supportive services shall include, but not be limited to: transportation, child care, physical examinations, remedial physical services (such as glasses and dental work), and legal services (such as defense against garnisheeing of stipends and allowances). It is the responsibility of the prime sponsor to arrange for these and any other needed supportive services from the most highly qualified sources available. If they are not available, or not available in adequate quality, the prime sponsor will be responsible for establishing them himself, to be run by the prime sponsor or by an agency established for the purpose.

-evaluating the CEP: including measuring overall program performance against established goals, analyzing and disseminating performance data, comparing and integrating enrollee and fiscal information, relating budgets to goals and objectives, reviewing and controlling enrollee flow

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between and within subcontracted components with special attention to the reduction or elimination of enrollee holding or recycling, reviewing the effectiveness and costs of supportive services.

The above duties are intended as representative examples only; they do not cover the full range of duties implied in adequate project management but do give some guidelines.

Every effort is to be bent to reducing areas of potential or actual sponsor/subcontractor friction. Accordingly:

-the contracting procedure is to be improved locally to assure absolute clarity in defining the roles and responsibilities of the sponsor and the subcontractors;

-the goals for each subcontractor are to be clearly spelled out and the mechanism for measurement of success in meeting such goals understood, and used, by all;

-a MAR, one to each CEP, is to be appointed.

Finally, it must be made clear that the potential for subcontract termination due to the inability or unwillingness of a subcontractor to meet negotiated--and agreed on--goals is always present. Such action, within the authority provided by statute and regulation, is the continuing policy of the Department.

--Standards of success for CEP: We have experienced severe difficulties at all levels in obtaining uniform, timely and adequate information for evaluating the success of the CEP and for directing and monitoring program operations.

The matter of management data will receive sustained and detailed attention from OPMDS and USTES. We can expect to see revisions and substantial simplification of the process from such attention. (See also point B, page 16 which discusses this matter in somewhat more detail.)

--Technical assistance: Technical assistance on a contract basis will be given much sharper focus on general management problems particularly on the planning for, and

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meshing of, program components. In-house capability will be used to the greatest extent possible and supplemented by contractor assistance (see Section IV below).

--The balance between MDTA and EOA funds: The balance between MDTA and EOA will show a change: In FY 1969 MDTA comprised about 25% of the total monies available for the CEP; in FY 1970 we have requested that a larger proportion of the total (about 36%) be MDTA. This action will, we believe, work to further strengthen the CEP combined funding concept, will bring proportionately greater benefits from the experience of the well-proven and long-tried manpower training program into the CEP and will intensify CEP emphasis on skill training. Since this action will, however, increase the emphasis on the "reasonable expectation of employment" requirement of the MDTA Act, we will find a greater mandate to the CEP for a clear description of the job development system as discussed earlier.

It is necessary in these CEP/MDTA projects, just as in all MDTA projects, to work in conjunction with DHEW and in concert with approved MDTA procedures which require a local Office of Education approval, usually on form OE-3117. Institutional training paid for from CEP/MDTA funds will thus be subject to the same approval process as any other such program. That is, DHEW will carry out its statutory obligations and standard operating procedures. In the main, funds for institutional class-sized training projects are expected to flow through DHEW to State vocational education agencies. Further reporting will continue to flow through the CEP sponsor to the Department, as is now the case.

The CEP/MDTA design should include such basic classes as the RMA and the sponsor agree will be needed. In addition, each CEP should include a large individual referral project wherever possible.

In accordance with recent amendments to the MDT Act and interagency agreements, priority will be given to the use of established skills centers in CEP/MDTA institutional training.

III. Continuing Management of CEP

A. The Regional Manpower Administrator: The RMA has the clear authority to develop, approve, execute and monitor CEP contracts

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within the guidelines and standards issued by the DOL and the Manpower Administration. In the words of Secretary's Order No. 15-69, the RMA "represents the Manpower Administrator within the region with delegated authority to speak and act for the Manpower Administrator...." This authority has a background extending well into the past several years as actions have been taken to decentralize responsibility and, in the case of Title IB programs under the EOA, has been clarified and ratified by agreement with OEO.

The role of the RMA has been greatly clarified under the reorganization. Certain actions will go forward:

--The RMA will be given a total allocation of CEP funds which he can reallocate to individual CEPs as he sees fit. Although the national office will suggest such allocations, the decision within a region and within the regional totals is that of the RMA.

--Contract expertise is now available in the regions. The RMA will be expected to deliver an adequate and coordinated contract to the national office, one in which the duties of each subcontractor are explicitly spelled out and, through which, built-in problems of factionalism are reduced to a minimum.

--The crises-to-crises nature of so much of CEP operations will be expected to be handled--or prevented--at the local and regional levels.

--Full-time MARs are to be assigned to each CEP. They will report to a full-time supervisory staff in the regional office. The national office will deal routinely with the regional office CEP staff and will expect to be kept advised by this unit of on-going problems and accomplishments on a timely basis.

B. The Role of the Manpower Administration Representative: The rights and responsibilities of the MAR have been spelled out in some detail in Field Memo 54-68 and in earlier papers which preceded issuance of the field memo, in the CEP "Guidelines" and in the "MAR Handbook." In addition, certain regions have issued their own duty statements and have held their own training sessions.

In addition to the usual task of project monitoring, the MAR will be given the assignment of drawing program management experience available in local private industry into management assistance for the CEP. This

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"Executive Reserve" action is expected to materially assist CEP managers and to broaden the local base of support and understanding for the CEP concept and activity.

C. CEP Prime Sponsors and Subcontractors: The CEP prime sponsor, under Title IB of the EOA, has the responsibility for planning, administering, coordinating and evaluating the CEP operation and receives and disburses CEP funds. The relationship between the prime sponsor and its subcontractors, particularly the employment service, has already been discussed. Basically, since all levels are bound by proper management to provide authority to equal responsibility in operating the CEP, contractor/subcontractor problem areas must be worked out at the time of contract negotiation. As noted earlier, the goals for each subcontractor and the success measurement index will be clearly spelled out in the subcontract before it is signed. Each subcontractor will be expected to live up to his subcontract agreement.

D. Role of the CEP Headquarters Office: The responsibilities of the national office have undergone changes that have directly reflected changes in the role of the RMA.

Beginning with direct contracting and operational responsibility as the program first began, national level duties will now emphasize program monitoring, the establishment of policy and program standards and the providing of technical assistance. (The subsidiary fiscal and intergrovernmental unit roles are not being discussed in this context.)

Within the limits imposed by the rights and responsibilities of the contracting parties (notably the RMA and the prime sponsor) the headquarters office will give substantially more time to on-site, cooperative project monitoring. Particular attention will be paid to:

--positive RMA/NAR relationships
--coordinated technical assistance
--increased training and orientation
--comprehensive and integrated project reporting and evaluation.

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IV. Technical Assistance and Training Program for CEPs

The procedural and programmatic changes outlined above will be supported by a systematic and intensive program of training and technical assistance to the CEP projects and training for their staffs. The Manpower Administration intends to carry out as comprehensive a technical assistance and training program as is possible within the limits of available resources, including both agency staff and funds available to provide supplemental assistance from outside sources.

Initially, and until the MA realignment has progressed sufficiently to enable inventory and organization of agency potential for assuming T/A responsibilities, it is expected that the main burden will be borne by outside contractors.

Contractors will, however, on a priority basis, work under the close supervision of national and regional office staff to implement the new directions and changes which CEPs will be required to incorporate in order to qualify for refunding in FY 1970. National office staff will prepare and disseminate models reflecting changes to be made in CEP employability development/State ES agency services components and T/A contractors will be utilized to assist CEPs in installing the models and provide guidance and advice to staff in their operation. The initial issuance will be that covering the HRD employability development model, which will set forth the outline for design of such interrelated HRD components as orientation, employability assessment and coaching. Assistance to job development specifically will be intensified.

Other areas in which T/A contractors will be utilized to provide assistance on a priority basis include: 1) Training of key staff in management, administrative and programmatic areas. National office staff are structuring a broad training plan which, with the cooperation of regional offices, will be carried out with the assistance of T/A contractors; 2) Assisting CEP to design and install systems to measure program effectiveness at all levels of operations; and 3) Assisting CEPs to install and maintain systems for effective fiscal management and control.

Additional priorities for contractors will be established on the basis of consultation among national regional, and contractor staff.

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V. Simplification of Contracting and Disbursing Procedure

A. Work is going forward to develop a simplified contractual document and a simplified budget. A contract is sought which contains only essential contract responsibilities. Administrative details and program descriptions are expected to be reserved to the proposal. These, in turn, are expected to be incorporated by reference into the contract without encumbering the document. The essential elements that are sought in the contract include the number of enrollees to be served, the type of service to be performed, the dates within which the services are to be furnished, the cost of such services, and the basic data to be furnished relating to such services. As has been indicated, the contract must clearly state the goals of the program; reporting requirements are to be designed to give the information which will measure the sponsor's performance against these goals.

Secondly, in conjunction with a simplified contract, work is being done to simplify the current project budget. A separate budget for EOA and MDTA funds is being examined. Against these budgets the sponsor would report his costs. Budget formats are being sought which are less complex, with costs grouped in major categories and line items eliminated. It is anticipated that more detailed cost breakdowns will be included in the proposal, which will be reviewed before it is accepted.

Thirdly, CEP contracts are being shifted immediately to a program year basis and their expiration and refunding dates staggered throughout the first 6 months of each fiscal year. Since this is the common pattern of a great number of current CEP contract expiration dates, only a minimum of dislocation is anticipated.

B. Immediate attention will be paid to the area of CEP management indicators. There are no readily available or easily and uniformly understood indicators of success or failure. We cannot, without costly and lenghtly inputs of time, compare the cost of an enrollee from CEP to CEP, from component to component, or from region to region. We cannot, without great difficulty, relate such fundamentals as intake or output to any preestablished goals. We can, but only through extensive crosschecking, determine if CEP placements are being made before enrollees go through the entire program or if we are placing them directly from intake.

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Program direction and policy decisions at all levels will be greatly enhanced by the capacity to quickly extract certain key management indicators from the mainstream of activity. Small problems could be corrected before they are allowed to drift into large problems.

The gross data are, in the main, available. Two things are needed:

- --Decisions on a basic set of key indicators that have a clear and direct connection to the basic goals of the CEP and can be quickly extracted;
- --A method of graphic presentation of such indicators for all levels of CEP management: local, regional, and national.

Accordingly, a small OMMDS and USTES task force group has been given the priority assignment of identifying and refining such indicators of success or failure with the assistance of an outside contractor. The system should be ready at the time the first CEP recontracting is due.

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NATIONAL ORGANIZATION OF CEP DIRECTORS
738 Broadway
Gary, Indiana 46402

August 25, 1969

Honorable George P. Shultz
Secretary of Labor
United States Department of Labor
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Shultz:

The NATIONAL ORGANIZATION OF CEP DIRECTORS strongly protests the new CEP Guidelines issued by the Department of Labor for fiscal year 1970. These guidelines will serve not only to cripple the effectiveness of our current programs, but will force the poor to bear the brunt of irresponsible decisions.

If implemented, these guidelines will not only bring about a drastic and inevitable deterioration in program quality, but will violate the fundamental principle of community action; namely, the principle of self-determination by the community being served. New agencies created to serve the poor, rooted themselves in the philosophy of planning and administration by the poor themselves. This trend is being halted; the clock is being set back. The new guidelines mandate a re-investment in the traditional agency, the Employment Service, without the concomitant demand that this agency restructure itself to meet the needs which the CEP's were originally designed to meet.

CAP/CEP agencies entered the manpower field in order to make manpower services credible and accessible to the poor. Over the years, CAP/CEP's have built up increasing capability in this field. Now, not only is this expertise about to be ignored, but those indigenous people who implement most of these manpower tasks are on the verge of being removed from significant involvement.

We, then, protest:

--That these decisions and the resulting guidelines were made by federal fiat, without consultation with CAP/CEP's and without acknowledgement of local variance.

--That the time allotted for re-negotiations is absurdly short, making smooth administrative and sub-contractual transfers virtually impossible.

--That the programs newly developed by CAP/CEP's, in conjunction with business and industry, which have focused upon the poor, will be severely and adversely affected.

--That by giving the Prime Sponsorship to one agency, and mandating subcontracts to another agency, the guidelines have separated authority and responsibility, thereby, creating administrative confusion and program weakness.

--That no demand is being made of ES to restructure themselves:

no imminent Civil Service change

no increased geographical accessibility

no real emphasis on job development as opposed to job collection

no apparent readiness to include neighborhood people in staff positions

And so, we, as a National Organization of CEP Directors recommend:

--That a moratorium of at least three months occur to provide time for negotiations;

--That every item listed on Page 7 of the guidelines be open for negotiation;

--That criteria of ability to perform manpower services be established in order that the most qualified deliverer of services be selected to perform program operation;

--That the new 1970 guidelines be reconsidered with CEP's participating in the re-drafting;

Because of our firm belief and conviction that the implementation of these guidelines would constitute a sellout of the poor, we as an organization and as CEP Directors, jointly and severally, are resolved that if the above recommendations are not met, at least in significant part, we will strongly recommend that all prime sponsors, governing boards and communities at large, not accept programs under the 1970 guidelines.

Sincerely,

Wallace White, President
National Organization of CEP Directors

WW:eb

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SECRETARY-TREASURER
Philip Rutledge, Senior Associate
Stanley Ruttenberg and Associates
Washington, D. C.

Executive Director
Robert Aleshire

AN URGENT RECOMMENDATION TO DIRECTOR RUMSFELD

JULY 18, 1969

Situation

The Department of Labor plans to issue "within a few days" an "Outline for Re-negotiation of CEP Contracts and Continuing Management of CEP's". This document is policy guidance for Regional Manpower Administrators in dealing with 58 of the 79 CEP's with which contracts will be renewed between now and October 31. It was developed with limited or no involvement of OEO, CAAs, CEP Directors, and other affected groups.

Urgent Recommendations

1. That OEO request that the Labor Department not issue this document until it can be reviewed by the OEO Director. To be effective, this request must be made on Friday, July 18, 1969.

2. That OEO study this document intensively and seek a number of significant changes in it.

3. OEO seek a recognition of its Title I-B delegation instrument to improve OEO-DOL working relationships.

Justification for Recommendations

1. The guidelines contain provisions which appear to violate the Delegation of Authority from OEO to DOL for Title I-B Programs, the Delegation Memorandum of Agreement, and provisions of Title I-B for the Economic Opportunity Act.

2. The guidelines represent a major shift in policy which will affect the majority of Concentrated Employment Service Programs for the coming year.

3. The guidelines create responsibility for the Project Sponsor (usually the CAA) but do not provide authority commensurate with this responsibility. The authority of the project sponsor is sublimated in favor of the state employment service director.

4. The guidelines do not provide sufficient coordination arrangements particularly in the involvement of OEO and the CWTP.

5. The guidelines impose unwise national arrangements which are not suited to the individuality of communities, do not allow proper flexability in designing services locally, and do not reflect variances in the quality of services rendered by the Employment Service to poor people.

A more detailed presentation of evidence for each of these points is provided on the following pages along with a copy of the guidelines. This statement represents the position of more than 40 CAA-CEP officials who met in Washington on July 17, 1969, as well as NACD itself. Your careful consideration of these legal, administrative and policy concerns will be appreciated.

Sincerely yours,

Robert A. Aleshire
Executive Director

RAA:ksm
cc: Robert Perrin, Acting Deputy Director of OEO

AN URGENT RECOMMENDATION TO DIRECTOR RUMSFELD

DETAILED JUSTIFICATION

1. The document contains provisions which appear to violate the Delegation of Authority from OEO to DOL for Title I-B Programs, the Delegation Memorandum of Agreement, and provisions of Title I-B of the Economic Opportunity Act.

   - Memorandum of Understanding says "OEO and DOL will develop jointly and approve those policies covering 1) definition of community program area; 2) prime sponsorship designation and role . . . The standards and procedures issued by DOL shall be in accordance with the terms of this agreement and the policies developed pursuant to the agreement." (emphasis supplied) The document significantly weakens the role and powers of the prime sponsor and makes the sponsor administratively subservient to the state employment service director.

   - Section 122 of the Economic Opportunity Act requires that "this agency (the prime sponsor under the CWTP) must be capable of planning, administering, coordinating, and evaluating a comprehensive work and training program." The diminuation of authority provided to the Prime Sponsor of the CEP, funded under Title I-B and subject to this requirement, seems to contravene this legislative provision.

   - Section 122 also states that the prime sponsor shall be encouraged to make use of public and private organizations as delegate agencies to carry out components of the comprehensive work and training program, including without limitation, agencies governed with the participation of the poor and other residents of the neighborhoods or rural areas served . . . The guidelines seem to limit the delegation to the employment service which would not be said to be governed with the participation of the poor.

   - The Memorandum of Agreement says that the "State Employment Services (SES), through the local employment offices are the presumptive supplier of all manpower services of the Title I-B programs if they meet the requirements for delegate agencies under section 122." (emphasis supplied) The document imposes no strict test of these requirements and assumes that the Employment Service automatically meets these standards. The state employment service director -- certainly not an unbiased observer -- is placed in the position of ultimately making decisions concerning who will provide manpower services.

DETAILED JUSTIFICATION Page 2

2. This document represents significant program policy

- It will guide the contract negotiations in the majority of CEP's

- It involves concepts and changes in the role of the ES and the Prime Sponsor which have not been agreed to by OEO.

- The document states that "Most CEP's must be refunded within the next few months before CWTPs can be completed. These guidelines are designed to assist RMAs and PSs in renewal of these CEP contracts." This document therefore represents interim policy which will determine the content and relationships in a majority of the CEP contracts.

- No checkpoint procedures involving DOL and OEO are provided. The Memorandum of Agreement says that check point procedures will be followed in the event of disagreement over nominations as presumptive sponsor or presumptive supplier of manpower service. The guideline says "If the negotiations between the prime sponsor and the state director of the employment service suggest to the RMA that other agencies -- such as the CAA -- can better or more easily perform . . . ."

3. The guidelines recognize the responsibility for the prime sponsor (presumably the CAA) but do not provide authority commensurate with this responsibility.

- The guidelines state that the "director of the ES manpower services package is to be administratively responsible to the State ES director . . . and responsible to the CEP director. (emphasis supplied) This dilutes the responsibility of the prime sponsor and fragments program authority.

- The guideline states that "The ES manpower services package director will have full control and direction of all employees--ES and other subcontractor employees--working on a full or more than 50% basis on tasks that are shown in the manpower delivery services subcontract . . ." This contravenes existing OEO policy on outstationing of personnel in CAP programs.

DETAILED JUSTIFICATION

- The guideline says there is to be a single employment service director fully and completely administratively responsible for the complete manpower delivery system in each CEP where the package is subcontracted to the Employment Service. What is the role of the CEP Director? What is the role of the Prime Sponsor?

4. The Guidelines do not provide sufficient coordination arrangements particularly in the involvement of OEO and the Community Work and Training Program.

- CEP is part of CWTP but CWTP is not mentioned in the plan and there is no discussion of the working relations including the relationship of these guidelines to the designation of prime sponsorship under the CWTP.

- There is no discussion of the relationship of decision-making under these guidelines with the CAMPS program and structure which includes representatives of all manpower groups and interests.

- There is no involvement of the OEO Regional Office on any of the planning or decision-making processes outlined in the document including matters which should be subject to the checkpoint process.

- The document deals at some length with the role of the ES but does not reinforce or adequately discuss the role and responsibility of the Prime Sponsor.

5. The guidelines impose unwise national arrangements which are not suited to the individuality of communities, do not allow proper flexability in designing services and do not reflect variances in the quality of services rendered by the Employment Service to poor people.

- The guidelines attempt to lay down a grid of manpower service through the ES in a given area. There is no prespective of looking at the system from the bottom. Substantial elimination of a meaningful CAA role will remove the linkage with neighborhood groups which have a far greater capacity for reaching and motivating the poor than the employment service has ever shown.

- The quality of services and the relationships among institutions vary in each community. Although efforts are being made to improve the ES (many of these efforts having been initiated and sustained by CAAs) the quality still varies widely. In most states not more than 10% of the ES "clients" served are disadvantaged. The guidelines impose uniform relationships throughout the country with no opportunity for the development of the best relationships at the local level or for the recognition of the weaknesses of the ES.

- The CEP is an intensive and highly complex local program. The guidelines give inappropriate authority to the State ES director (who is not on the scene and who will have a very inadequate knowledge of local conditions) while diminishing the responsibility of the CEP director who is perceived in the community as responsible for the program.

- While it may be necessary to create greater responsibility for the ES as a way of encouraging improvement, granting broad responsibility across the nation in the next 3 months seems an overly optimistic schedule and a simplistic concept of how to bring about improvement.

- Through the CAA testing new and innovative alternative manpower systems rather than solely relying on persuasion has provided much of the basis for improving and strengthening the ES to date, especially in its relationship to poor people. Diminuation of the CAA role would reduce the constructive pressure for improvement at the local level and defeat the ombudsman role the CAA plays.

- The job development approach of the CAA has frequently involved changing attitudes of employers. The ES -- which depends for its budget on friendly relationships of employers based on well qualified employees -- is in a weak position to seek such attitudinal changes. In fact experience has shown ES to be far more identified with the employer than with the unemployed.

- The employability development team, which is to be included in the new CEP program design, is an excellent concept. The ES has not, however, demonstrated ability to successfully implement this concept widely. Total reliance on the ES to carry out the services under the team is presumptive based on record.

- With the Greene Amendment, the CAA is now officially part of the local government system. Shifting responsibilities and powers to the state system weakens local responsibility and further fragments local coordination.

- The guidelines would produce results in conflict with the expressed goals of the Memorandum of Agreement and the Economic Opportunity Act. The shift in responsibility and role toward the ES would result, in some communities, in the elimination of jobs now held by poor people and minority groups. The structural barriers of the various civil service systems governing Employment Services in most states against the hiring of such individuals are prohibitive.

RAA:ksm
7/18/69

DELEGATIONS OF AUTHORITY

Many of the administrative changes in the guidelines for the Neighborhood Youth Corps, Concentrated Employment Program, Community Work and Training Program, and Public Service Careers are possible or fall under the provisions of the Delegation of Agreement and Memorandum of Understanding between the Office of Economic Opportunity and the Department of Labor. This document was developed and executed between former Acting Director Harding and former Secretary Wirtz and approved by former President Johnson.

NACD feels that this delegation does not provide a sufficient basis for OEO involvement in the development of manpower policies under Title I-B. NACD feels that the delegation agreements and memoranda of understanding negotiated by Director Rumsfeld with the Department of Health, Education and Welfare for Head Start and with the Department of Labor for the Job Corps are superior and should be used as the model for renegotiating the present Title I-B delegation.

The following pages contain the text of the Job Corps and Title I-B Delegations as well as a comparative analysis of these two documents.

OFFICE OF ECONOMIC OPPORTUNITY
Secretary of Labor
Delegation of Authorities

1. The Delegation of Authorities dated March 10, 1967, and approved by the President March 14, 1967 (32 F.R. 4588) is hereby rescinded.

2. Pursuant to section 602(d) of the Economic Opportunity Act, the powers of the Director under Title I, Part B (Work and Training for Youth and Adults) of the Economic Opportunity Act are hereby delegated to the Secretary of Labor except for reservations specified in this delegation. The powers of the Director under sections 602, 603, 604, and 611 of the Economic Opportunity Act are also delegated to the Secretary of Labor to the extent he deems necessary or appropriate for carrying out his functions in exercising his powers under Title I, Part B. All powers hereby delegated shall be exercised in accordance with the following paragraphs.

3. The Director will retain and exercise the following authority under Title I-B:

(a) Concurrent authority under section 123 as needed for the purpose of assisting projects of the type known as Foster Grandparents Programs;

(b) Concurrent authority under section 127 as needed for the purpose of assisting pilot projects;

(c) Sole authority to establish, in consultation with the Commissioner for Social Security, the criteria for low income under section 125; and

(d) Such other authority as is needed to carry out his responsibilities under the act, including authority to conduct overall planning, programing and budgeting operations and controls and to evaluate overall program effectiveness and to assess program impact and to perform program monitoring functions as needed.

4. The delegated powers shall be administered by a single staff within the Department of Labor. They may be redelegated by the Secretary with or without authority for further redelegation.

5. In communities served by community action agencies, the community action agency shall be the prime sponsor for all work-training projects. Exceptions to this policy may be made for compelling program reasons after consultation between the staffs of the Office of Economic Opportunity and the Department of Labor. Disagreements shall be resolved jointly by the Director and the Secretary.

6. In communities served by community action agencies, project participants shall be selected by the community action agency or its delegate agencies, or pursuant to cooperative arrangements between the community action agency and the U.S. Employment Service.

7. In addition, the delegated powers shall be exercised pursuant to such memoranda of agreement as have been or shall be agreed to between the agencies. Agreements shall be concluded defining the nature and objectives of the programs, criteria for program evaluation, and other policy matters of fundamental importance. Where OEO reserves powers of concurrence in the development of more detailed policies or in the application of policies in specific cases under such agreements, arrangements will be made for promptly resolving any questions that may arise before any final action is taken by the Secretary.

8. All operating information, evaluation reports, and other data concerning the programs administered under the delegated powers shall be freely exchanged between the Director and the Secretary pursuant to section 602(d) of the Act.

Bertrand M. Harding,
Acting Director,
Office of Economic Opportunity.

August 2, 1968

Approved: October 2, 1968

Lyndon B. Johnson
President of the United States.

SIGNATURE COPY:

DELEGATION MEMORANDUM OF AGREEMENT

FOR DEPARTMENT OF LABOR - STANLEY H. RUTTENBERG

FOR OFFICE OF ECONOMIC OPPORTUNITY - BERTRAND M. HARDING

APRIL 12, 1968

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MEMORANDUM OF AGREEMENT

I. Purpose of Memorandum

This memorandum of agreement is intended to define the roles and outline the responsibilities of the Department of Labor (DOL) and the Office of Economic Opportunity (OEO) and their affiliated State and local agencies in the administration of delegated work-training programs. It will form the basis for the delegation of the administration of Title I-B of the Economic Opportunity Act (EOA) to the DOL, and for the continuing discussions necessary for the development of revised regulations, and standards and procedures needed to implement the 1967 EOA amendments. More particularly, it will set broad guidelines for the continuation of the Concentrated Employment Program (CEP) insofar as EOA programs and resources are involved.

Excluded from consideration herein is that part of EOA Title I-B program or resources devoted to the Job Opportunities in the Business Sector (JOBS) program.

II. Basic Policies

1. The Community Action Agency (CAA) in a community is the presumptive prime sponsor for the community of any Title I-B program operated under delegation from OEO by the Department of Labor, except that Section 123(a)(1) type programs may be funded directly through local or State education agencies under regulations agreed to by OEO and DOL.

2. The State Employment Services (SES), through the local employment offices are the presumptive supplier of all manpower services of the Title I-B programs if they meet the requirements for delegate agencies under Section 122.

3. Exceptions to these presumptive nominations may be proposed by any responsible representative of DOL or OEO in the course of negotiations with respect to a specific project. Exceptions proposed by one agency must be presented to the other with full documentation of the reasons for the exception. Disagreement by either agency to such an exception will immediately be escalated through the DOL and OEO regional offices if it cannot be settled on that level for immediate consideration and decision. No unilateral action will be taken. A checkpoint procedure which will be formalized on agreement by both agencies is to be followed in determining all nominations. In the case of CEP checkpoint the procedures outlined under VI-B shall be followed.

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4. In keeping with the acceptance of CAMPS by DOL and OEO, constituent State and local agencies of these departments will participate fully with CAMPS to assure the most effective deployment and coordination of all manpower programs and resources.

5. OEO is responsible for establishing the criteria for low income for program participants as required by Section 125 of the Act. These criteria will be provided to DOL by OEO for use in all Title I-B programs.

6. Prime sponsors and delegate agencies of Title I-B projects shall adhere to the standards and procedures issued by DOL. OEO and DOL will develop jointly and approve those policies covering 1) definition of community program area; 2) prime sponsorship designation and role; 3) criteria for resident participation; 4) criteria for participant eligibility; 5) supportive services; and 6) consolidation of comprehensive work and training programs.

   The standards and procedures issued by DOL shall be in accordance with the terms of this agreement and the policies developed pursuant to the agreement.

7. The Director, OEO will, through management issuances, exercise planning, programming and budgetary control functions which specify and restrict the overall operations of all Title I-B activities. The DOL will furnish OEO with all program and financial plans, and other materials, required as a part of the OEO planning, programming and budgeting process. Within these overall limitations, the Secretary of Labor will be responsible for Title I-B program operations. The DOL will submit these materials to OEO, (and any proposed changes thereto) for the final approval of the Director, OEO, or his designee.

   Any changes or revisions to financial plans or budgets from that proposed by DOL shall be discussed with the Department of Labor at the appropriate level which may include the levels of the Manpower Administrator and the Secretary of Labor as appropriate before final decisions are made.

   Notification of changes to the materials submitted to OEO by DOL shall be promptly transmitted to DOL.

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III. The Role of the Prime Sponsor

As described in Section 122, the prime sponsor 1) must be capable of planning, administering, coordinating and evaluating its work and training programs; 2) shall provide for participation of employers and labor organizations in the planning and conduct of its programs; 3) shall be encouraged to make use of public and private organizations as delegate agencies to carry out components of its program; and 4) shall provide for the participation of residents in the area.

Specific manpower program plans, designs or proposals are subject to the final approval of the DOL. Thus, the DOL has the authority to require revisions in project proposal submissions in order to assure compliance with program standards and procedures, in view of funding considerations and/or to make final project approval decisions.

IV. The Role of the State Employment Service Local Office

In those cases where the local ES is the supplier of manpower services it shall be by contractual arrangement with the project sponsor (when Title I-B funds are utilized) or by memorandum of agreement (when other funds are used). These manpower services will include outreach, intake, assessment and diagnosis, referral to supportive services or appropriate training, advocacy including coaching, job development and placement as needed. In conducting these manpower services, the Employment Service shall employ subprofessionals including the poor in the planning, conducting and evaluation phases.

V. Other Suppliers of Manpower Services

In the case where another delegate agency is providing manpower services in a program, it must employ the poor as subprofessionals in the planning, conduct and evaluation of the component.

VI. The Concentrated Employment Program

A. Planning for CEP

The DOL will develop national plans for operationally coordinating and linking the various manpower programs with the CEP system. The DOL will furnish such plans to OEO for comment.

B. A representative of the Manpower Administration (MA) will be responsible for each prospective CEP area, in order to assist in developing a CEP plan and proposal. The relevant OEO regional office will be notified

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by the appropriate Regional Manpower Administrator of the tentative plan to develop a CEP in the specified area. If either the MA representative or the OEO regional office recommends that the local CAA not be the sponsor, efforts shall be made by both regional offices to agree on the prospective sponsor, with reports on the negotiations being sent to each national office by its regional counterpart. If a decision on the designation of the sponsor cannot be made by the regional offices within five working days, the question will be moved to the national offices of the respective agencies who will endeavor to resolve the question within three working days. No unilateral action will be taken on the question of sponsorship.

Once a prospective sponsor is selected, the MA representative will work with the applicant in developing the proposal. The applicant will have complete latitude to adapt and innovate with the dual constraints of 1) the established standards of program elements where identified and 2) fund availability, but always subject to final approval by DOL.

VII. Technical Assistance

For the sake of clarification, technical assistance is divided into five types:

A. Planning

B. Project Preparation

C. Project Implementation and Operation

D. Training Contracts

E. Other Technical Assistance Contracts

The following principles shall apply to all five types:

1. The Department of Labor is primarily responsible for all technical assistance to projects, or programs for which it has contracts. This does not preclude OEO from providing technical assistance to CAA's to perform their planning responsibilities under Section 212 of the Act.

2. The Office of Economic Opportunity is similarly responsible for all technical assistance to projects or programs which it expects to fund directly.

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3. Before signing technical assistance contracts, OEO and DOL will exchange and discuss proposed work statements. The purpose of this exchange is to avoid unnecessary duplication of effort and to assure meeting the needs as seen by each agency.

A. Planning

1. Planning grants to sponsors

The DOL will provide "planning grants" to sponsors for the purpose of developing plans for a comprehensive manpower program. This will be administered solely by the DOL.

2. Department of Labor staff will assist local CAA's in planning for projects and programs which may be funded under its auspices.

B. Project Preparation

For those programs funded by DOL, the technical assistance functions will be DOL's responsibility. For programs funded by OEO the technical assistance will be its responsibility.

It is also a function of OEO to provide a technical staff function to local CAA's. The local CAA may request such staff advice and assistance from its OEO regional office.

C. Project Implementation and Project Operation

For those projects funded by DOL, the technical assistance function will be DOL's responsibility.

OEO will be responsible for providing technical assistance to manpower programs which are solely funded by OEO. DOL and OEO will be jointly responsible for providing technical assistance on those programs which are jointly funded (e.g., OIC's, Metropolitan Jobs Council, etc.).

The above does not preclude (where jointly agreed upon by both DOL and OEO) jointly developed, designed and funded national technical assistance contracts.

CAA's have the right to contract with any outside group for technical assistance in a number of areas, including manpower. When Title I-B funds are used for this purpose, approval must be obtained from the MA representative.

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D. Training and Training Contracts

The Department of Labor will be specifically responsible for the training of CAA personnel, and other personnel, involved in implementing contracts executed by it. This may be provided by a variety of means including training contracts urilizing delegated funds.

OEO will not without DOL approval unilaterally contract for training in CEP or Title I-B manpower programs.

E. Other Technical Assistance Contracts

Manpower Training seminars may be jointly funded and operated by OEO/DOL to train CAA staff and others in the planning, implementation and operation of manpower programs.

If either DOL or OEO is of the opinion that the training and the technical assistance provided on a regional and national basis is inadequate as a result of expressions from sponsors of manpower programs or suppliers of services, then DOL and OEO shall meet to discuss ways and means to resolve this problem.

VIII. Monitoring and Evaluation

A. Program Monitoring

In carrying out its delegated responsibility, it is necessary that DOL and OEO monitor the on-going manpower program activities:

1. To provide the basis for substantive review by the Director, OEO and the Secretary of Labor of current program status.
2. To provide the basis for immediate and long-range OEO/DOL budgetary and planning decisions, including those decisions related to reprogramming actions and establishment of budgetary priorities.
3. To isolate operational and conceptual problems which inhibit accomplishment of statutory requirements and OEO/DOL objectives and to help determine whether major shifts in program emphasis and/or design are necessary to better meet established goals.
4. To sort out and rectify cases of non-compliance with statutory directives and with DOL regulations for the administration of these programs.
5. To indicate the need for special research and evaluation studies and program demonstrations, or for the redirection of existing R & D activities.

It is not a function of OEO to provide contract compliance or day to day in-depth monitoring of projects or programs funded by DOL.

OEO program monitoring of Title I-B and CEP activities will be accomplished through several different means. Among these are periodic and special reports on program operations, program evaluation studies and research studies, visits by OEO Headquarters and Regional staff members to project sites, program review meetings, on-site evaluations.

In monitoring on-site visits, open and free access to project personnel and records shall be accorded DOL and OEO representatives. However, the appropriate DOL Regional Director will be informed of the planned visit by OEO. It will be the responsibility of the DOL Regional Director to inform the project management of the date(s) of OEO visits and the names of the visitors.

OEO and the Manpower Administration will continue to exchange information on programs operated by each agency. In addition to evaluation reports and other types of information specifically mentioned in earlier sections, statistical data on obligations and enrollment will also be made available to OEO on Title I-B and CEP programs. Research papers, contractor evaluation reports and special reports related to program matters will also be furnished.

B. Evaluation

OEO/DOL evaluation responsibilities are specified in OEO Instruction 72-8, dated March 6, 1968.

FOR THE DEPARTMENT OF LABOR:

4-17-68

Assistant Secretary for Manpower

Date

FOR THE OFFICE OF ECONOMIC OPPORTUNITY:

Bertrand M. Harding

4/11/68

Acting Director

Date

OFFICE OF ECONOMIC OPPORTUNITY

DELEGATION OF AUTHORITIES TO SECRETARY OF LABOR

1. Pursuant to Section 602(d) of the Economic Opportunity Act, the powers of the Director under Title I, Part A (Job Corps) of the Economic Opportunity Act are hereby delegated to the Secretary of Labor except for the reservations specified herein. The powers of the Director under Sections 602 (except 602(d)) and 610-1 of the Economic Opportunity Act are also delegated to the Secretary of Labor to the extent he deems necessary or appropriate for carrying out his functions in exercising his powers under Title I, Part A.

2. a. The personnel, property, and records of and in support of the Job Corps are hereby transferred to the Secretary of Labor, except that officers or employees appointed by the President shall not be transferred.

b. The Secretary of Labor is designated contracting officer in all existing contracts implementing Title I, Part A (Job Corps), except contracts identified in Attachment A, and shall succeed to all rights, duties, and obligations (including auditing responsibilities) of the Director under all other agreements; except that OEO shall retain the responsibility for settling

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termination claims arising under contracts terminated prior to July 1, 1969.

c. Tort claims, and claims lodged under Section 116(b) of the Economic Opportunity Act, arising against the Job Corps prior to July 1, 1969, shall be processed and settled by the Labor Department.

3. The delegated powers may be redelegated by the Secretary to personnel within the Labor Department with or without authority for further delegation.

4. The Director will retain and exercise the following authority:

a. The authority to conduct overall planning (including programming and budgeting operations), and to perform evaluations of the Job Corps program.

b. The exclusive power to make grants or contracts for experimental, experimental research, and demonstration projects as specified in Sections 113(b) and (c) of the Economic Opportunity Act.

5. Further, the delegated and retained powers herein shall be exercised pursuant to such Memoranda of Understanding as have been or shall be agreed to between the Agencies.

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Agreements have been or shall be concluded which create procedures for (a) establishing basic policies, (b) formulating budget and program plans, (c) setting criteria for assessing performance, (d) providing guidelines for conducting evaluations, (e) disposing of property which may no longer be required in connection with the Job Corps program, and (f) approval of experimental, experimental research, and demonstration projects.

6. All operating and budget information, evaluation reports, audits, inspection reports, and other data concerning Title I-A, shall be freely exchanged between the Director and the Secretary, pursuant to Sections 602(d) and 633(b) of the Act.

7. This Delegation is effective July 1, 1969.

June 24, 1969
Date

Director
Office of Economic Opportunity

Approved:

President of the United States

JUN 30 1969
Date

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ATTACHMENT A

DELEGATION OF AUTHORITIES TO THE SECRETARY OF LABOR

CONTRACT NUMBER	CONTRACTOR	PRODUCT OR SERVICES	AMOUNT OF CONTRACT
4482	State of Maryland	Job Corps Skill Center in Baltimore	$2,748,359
4780	Milwaukee Public Schools	Milwaukee School System Coordination Feasibility Study	9,112
4773	Seattle Public Schools	Model Program - Career Planning Center	286,299

MEMORANDUM OF UNDERSTANDING

In anticipation of the Delegation of the Job Corps to the Department of Labor effective July 1, 1969, and pursuant to paragraph 5 of the proposed Delegation Agreement, OEO and the Labor Department agree as follows:

1. Establishment of mission, overall performance criteria, and operating policies.

a. Primary authority to prescribe Job Corps mission and overall performance criteria shall rest with OEO. This authority will be exercised in close concert and consultation with the Labor Department.

b. Primary authority to initiate policies for the operation of Job Corps rests with the Labor Department. OEO's comments and consultation on all proposed policies will be solicited, and it is agreed that any new major policies, or modifications of existing major policies, affecting the mission of the Job Corps, will be submitted by the Labor Department to OEO for concurrence no less than 30 days before issuance.

"Major" policies affecting mission include those which affect (1) the program structure of Job Corps and Job Corps Centers, (2) the eligibility criteria of enrollees, or (3) the broad type of support given enrollees.

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c. It is further agreed that Job Corps shall admit as enrollees only applicants who are "low income individuals or members of a low income family" (Section 103(2), EOA), in accordance with criteria established by OEO.

2. Budgeting and Programming.

In performing the budgeting and programming functions, the parties agree to adhere to OEO Manual 3100-1 entitled "The OEO Planning-Programming-Budgeting System," and any subsequent modifications to that Manual. The parties shall strive to achieve as smooth and effective a reconciliation between the OEO budget system and the Labor Department's budget system as is possible.

3. Evaluations.

The division of responsibility for evaluation shall be as follows: OEO shall be primarily responsible for Type I evaluations. Labor shall be primarily responsible for Type II and III evaluations. Type I evaluations designed and initiated by OEO shall be submitted to Labor for comment. Labor may also carry out Type I evaluations but only with the specific concurrence of OEO. OEO may also carry out Type II evaluations but shall submit the plans or designs for such evaluations to Labor for comment.

Type III evaluations may be performed by OEO with the concurrence of Labor. The definitions of the three types of evaluations shall be as set forth in OEO Instruction 3300-1.

All evaluations shall be conducted in accordance with the evaluation program required and developed pursuant to OEO Manual 3100-1.

Each agency shall make available to the other the results of any evaluations it causes to be conducted.

4. Experiments, Research, and Demonstrations.

OEO retains the exclusive right to plan and undertake experimental, experimental research, and demonstration projects as specified in Sections 113(b) and (c), provided that it shall develop such projects only after close and careful consultation with the Labor Department. In cases where such projects are to be conducted at centers operated by the Labor Department, or to involve enrollees selected by the Labor Department, the concurrence of the Department shall be obtained.

5. Property.

a. It is agreed that after July 1, 1969, any Job Corps property or facilities which are not being used in connection with currently operating centers shall, insofar as not otherwise inconsistent with terms of leases, licenses, use permits, or

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similar instruments, or Federal Property Management Regulations, [illegible] available to Labor or OEO in accordance with the following priorities: (1) first to the Labor Department for use in other centers being operated under Title I-A, EOA, (2) second, to OEO for use in other OEO programs, and (3) third, to the Labor Department for use in other programs not run under Title I-A of the EOA.

b. Maintenance, storage, and custodial expense of idle property or facilities shall be borne by the Labor Department out of Title I-A funds. If, pursuant to subparagraph 5(a) (2) or (3), supra, OEO or Labor uses this property or these facilities, maintenance and custodial expenses will be assumed thereafter under the appropriate funding (appropriation) of those agencies.

c. If no use can be made by the Labor Department or OEO of idle property or facilities, then they shall be either surrendered to the Departments of Agriculture or Interior (in the case of improvements and facilities located on lands belonging to these agencies) or declared excess and processed through normal excess property channels, and costs associated with the maintenance and custody of these idle facilities, or property, shall thereafter be borne by the transferee.

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6. Liaison.

OEO and the Labor Department will each establish a liaison office to maximize communication and cooperation between the agencies.

In furtherance of the free flow of information, open and free access to Job Corps programs and sites will be accorded OEO personnel (including officials of the OEO Inspection Office). The appropriate DOL Regional Manpower Administrator will be informed of planned visits by such personnel, normally no less than one week in advance, and it will be his responsibility to inform the project management of the date(s) of those proposed visits and names of the visitors.

7. Review of Agreement.

This Agreement will be reviewed at the request of either party.

June 25, 1969
Date

Signed: George P. Shultz
Secretary of Labor

June 24, 1969
Date

Director, OEO

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COMPARISON BETWEEN TITLE I-B AND JOB CORPS DELEGATIONS

AREA	JOB CORPS	TITLE I-B
Broad Authorities retained by Director, OEO		Authority needed to carry out the Director's responsibilities under EOA
	Authority to conduct overall planning including programming and budgeting operations	SAME
	Authority to perform program evaluations	SAME
	Responsible for legal claims from contracts terminated prior to delegation	Not Mentioned
	Sole Authority to establish income eligibility criteria	SAME
	Exclusive power to make grants or contracts for experimental, research and demonstration projects	Concurrent authority for purposes of assisting pilot projects
		Concurrent authority for assisting Foster Grandparents Program

AREA	JOB CORPS	TITLE I-B
Sponsorship Designation	DOL power to Contract	CAA specified as Prime Sponsor where it exists; participants selected by CAA; Either DOL or OEO can propose changes in delegation, but must be concurrence on exceptions; no unilateral action
Program Objectives	OEO determine program objectives with consultation with DOL; DOL to initiate program policies, but must have OEO concurrence on any major policy changes, revisions, additions	Sponsor plans, designs and proposals subject to DOL final approval; DOL has the power to require revisions; standards, and procedures developed by DOL
Planning	OEO exclusive right to plan and undertake experimental and research projects; required close consultation with DOL and must have DOL concurrence for any experimental projects operated at Centers operated by DOL	Director of OEO exercises planning and programming control and sets overall limitations; For CEP programs, DOL provides "Planning grants" to sponsors and planning administered solely by DOL; DOL responsibility to assist local CAA's
	OEO retains evaluation responsibility for Type I programs; DOL receives evaluation responsibility for Type II and Type III programs; For any exceptions to this, mutual concurrence required	OEO retains responsibility for evaluation, but works out mutually with DOL

AREA	JOB CORPS	TITLE I-B
Monitoring	Responsibility for monitoring shared; Free access to centers by both DOL and OEO; OEO required to inform DOL of proposed visits to facilities	SAME
Budgeting	Adhere to OEO manual; strive for DOL and OEO concurrence; Experimental and pilot project funding retained by OEO	DOL offers proposed budgets, subject to final OEO approval; OEO must consult with DOL before making a final decision and notify and explain any changes from the DOL proposal
Technical Assistance	Not specifically mentioned	The funding agency supplies technical assistance; where a program is jointly funded, the technical assistance responsibility is jointly handled. OEO restricted from contracting for training assistance without prior DOL approval
Review of Agreement	Request of either party	Not mentioned.

PRIME SPONSOR DESIGNATIONS

SOUTHWEST: All comprehensive work training programs (CWTPs) are CAAs except counties in Gulf Coast, Costal Bend and Alamo CAMPS areas

GREAT LAKES: 2 final, 50 tentative, and 54 interim designations made.
CAA is Prime Sponsor except where CEPs exist.
Thus far:
2 final: 1 CAA/1 not chosen (no CAA in area)
50 tentative: 38 CAAs/12 other
54 interim: 40 CAAs/14 other

NORTH CENTRAL: All CAAs except for nited Sioux Tribe in one area and Montana Inter-Tribal Policy Board in another.

WESTERN 33 designations made so far - all CAAs

DISTRICT OF COLUMBIA: local CAA (UPO) chosen

SOUTHEAST: All designations have been made in that region except those listed below. In every case, the prime sponsor named is the Community Action Agency servicing the area.

Areas not Designated:
Gainesville-Hall County Economic Opportunity Organization (Gainesville, Geo.)
Southwest Georgia Community Action Council (Moultrie, Geo.)

NORTHEAST: Information not available as of July 1st;

MID ATLANTIC: Information not available as of July 1st.